NHS
The Dudley Group
NHS Foundation Trust

The Dudley Group NHS Foundation Trust

Annual Report
& Accounts
2017/18

The Dudley Group NHS Foundation Trust

Annual Report and Accounts 2017/18

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

Section 1: Performance Report

Section 2: Accountability Report

Section 3: Annual Accounts

Section 4: Quality Report and Account

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

The Dudley Group NHS Foundation Trust is referred to as 'the Trust' throughout this report.

Section 1: Performance Report

Chairman Jenni Ord

Chief Executive Diane Wake

Overview of Performance

Welcome to our Annual Report and Accounts for 2017/18. Firstly, it is important that we say thank you to everyone who has been involved in The Dudley Group over the last 12 months. It has been a year of ups and downs, which the detail in this report describes. We want you to know we are committed to the delivery of excellent care in all our services, fostering and maintaining excellence where it exists and driving substantial improvements where it is necessary.

Investing in our services

The NHS faced unprecedented demands last year, especially throughout winter. The Emergency Department at Russells Hall Hospital has seen a 9.4 per cent increase in attendances over the last five years. Within this is a 41.3 per cent increase in attendances for patients aged 85 and older. This is very significant as these patients are often seriously ill, with multiple health problems, requiring various diagnostic tests, longer stays in hospital and substantial support in the community to be discharged from hospital safely.

We continue to redesign how we see and treat emergency patients. The brand new £2.6m Emergency Treatment Centre was completed this year providing new facilities for the Urgent Treatment Centre, run by Malling Health, and our Emergency Department waiting area. Through this new build, we took the opportunity to relocate our minor injuries and ambulance triage

area to help with better patient flow. We also moved the Emergency Assessment Unit (EAU) and created an Acute Medical Unit (AMU) to ensure the best care is delivered to patients.

Further investments have been made at the Guest Outpatient Centre for a new £3.5 million imaging suite, including a new MRI scanner, and refurbishment of our renal satellite centres in Tipton and Kidderminster. The new facilities at the Guest will be able to handle almost 20,000 extra scans a year and reduce waiting times for patients. All patients sent for an MRI or CT scan by their GP will no longer have to visit Russells Hall Hospital or Corbett Outpatient Centre but will, instead, go to Guest.

We perform well against many of the high profile national standards, the exception being the four-hour emergency access target which many trusts are struggling to meet.

In our planned services, we have continued to improve key performance areas and invested in services such as ophthalmology and paediatrics where additional staffing has supported plans to reduce waiting times for services.

Innovative working

We continue to work with partners on a number of joint initiatives to deliver effective patient care. The developing arrangement to support more joined up services for patients in the community should result in better, more localised, access and

greater continuity of care. We are working together with local GPs and colleagues in mental health services to deliver this.

It is pleasing to see that our innovative partnership working with social care services has dramatically reduced the number of delayed transfers of care across the borough, which helps to keep patients flowing through our Emergency Department and the whole of the hospital, and we look forward to continuing this excellent work with our partners in social care.

The Black Country Pathology work, involving The Dudley Group, Sandwell and West Birmingham NHS Trust, Walsall Healthcare NHS Trust and The Royal Wolverhampton NHS Trust, has also taken shape this year. This should enable these important services to become more sustainable, ensuring this specialist resource is shared, whilst enabling essential laboratory service requirements at each hospital site. The new service will have a central hub at New Cross Hospital and essential service laboratories at each of three other trusts, Shrewsbury and Telford Hospital NHS Trust will join the partnership in the future.

We have continued to plan the implementation of a new Electronic Patient Record (EPR). The system will transform the way we record patient information electronically, which will only need to be captured once. Eventually, we will be able to reduce our patient records releasing clinical staff to provide more direct patient care.

Financial Challenge
During 2017/18, we delivered £9.8m efficiency savings to support our financial effectiveness plan. It was particularly challenging given that the Trust has made year-on-year savings over several years. Our approach included a drive on reducing temporary staff spend. Whilst we still used considerably more of these staff than agreed, we did spend £2.4million less than in 2016/17. Further reductions for this year are also planned.

We have reinvigorated the drive to recruit local staff. A total of 167.25 whole time equivalent staff have been appointed since October 2017 and our focus remains on further recruitment and development opportunities for all staff.

Care Quality Commission (CQC) Inspection
The CQC team visited us from in December 2017 and January 2018. They inspected five core services at Russells Hall Hospital and also community adult services, including sexual health services.

We were pleased that the inspectors found our services to be caring overall, rating the care given as good. However, we are hugely disappointed that our overall Trust rating remains Requires Improvement.

We are particularly disappointed that our Emergency Department has been rated Inadequate, as staff have faced challenging demands for services, especially in the winter period.

The Emergency Department has a service improvement plan in place to deliver the safe, effective and responsive care that patients can expect and our staff aspire to. Key areas for improvement include timely triage of patients to direct them to appropriate services, consistent safeguarding practices for all patients and more effective monitoring of deteriorating patients.

Medical care, including how we care for older people, maintained a Good rating. This includes a stroke service which is one of the best in the region. Also pleasing was the recognition of improvements in maternity services, which also attracted a Good rating.

We are proud that community services were rated Good, and the CQC found examples of outstanding practice, in particular the innovative multi-disciplinary working to provide good care to patients. Compassionate care was noted and the feedback from patients confirmed this.

All staff are committed to making the improvements required, arising from our internal investigations or external assessments. Inspectors commented favourably on our incident reporting. They also received excellent feedback about how the team has tailored services to meet the needs of individuals.

Our staff
We continue to be pleased with the hard work and professionalism of our staff who have responded to the needs of very high numbers of patients, whilst striving for care excellence. Many staff took the opportunity to receive their flu jab protecting themselves, their families and their patients over the winter period. At 75 per cent, this was the highest number of staff vaccinated at the Trust.

We launched the monthly Healthcare Heroes awards this year to recognise individuals and teams who go above and beyond every day to improve patient care. We have been really impressed by the quality of all the nominations making it a tough job to choose the winners. We have hosted a variety of sporting challenges, such as 'Cycling Santas' and an 'Easter Bunny Boat Race', as well as staff cycling from London to Paris to support our charitable funds. Staff clearly enjoy supporting our charity and raising valuable funds, which are invested into patient care. You can find out more about how we engage with our staff on pages 40 and 41.

Trust volunteers continue to provide an amazing service supporting staff and patients. The team of over 450 volunteers provide a variety of roles, from Emergency Department hosts to wayfinding.

We also held a new-style Long Service Awards event which celebrated our hardworking staff who have reached the milestones of 10, 25 and 40 years' service working for the Trust. The event was a great success and many staff attended.

We received national recognition from the Secretary of State for Health Jeremy Hunt for our improvement to the proportion of cancer patients who received treatment within 62 days of referral in the period of August 2017 to October 2017, in comparison with May 2017 to July 2017.

We continued to raise awareness of dementia, a condition that affects 850,000 people in the UK every year. Staff were able to take advantage of a mobile virtual dementia tour bus and experience the fear and frustration people with dementia go through on a daily basis. Some of our staff who took the tour experienced a range of simulative distortion which robbed them of their senses to recreate the isolation and fear that people with dementia may experience every day.

Changes to the Board of Directors and Council of Governors

Several changes have occurred this year, including the post of chief executive. We welcomed Siobhan Jordan, chief nurse, in April 2017, Julian Hobbs, acting medical director, in October 2017 and Karen Kelly, chief operating officer, in January 2018. Natalie Younes joined us as director of strategy and business development in September 2017 and, finally, Tom Jackson took the vacant director of finance post in 2018.

We said goodbye to a number of serving colleagues, including Rob Johnson, lead governor, who was succeeded by Fred Allen. Looking forward, we have much to do and we do not underestimate what is expected of the Trust. We will be embracing keener and more consistent quality improvement activities in partnership with our regulators and through other facilitated support. We also know we have to deliver within our financial plan, and to also secure the best possible workforce to support patients. Thank you.

About The Dudley Group

The Dudley Group is the main provider of hospital and adult community services to the population of Dudley, parts of the Sandwell borough and smaller, but growing, communities in South Staffordshire and Wyre Forest. The only acute trust in the area to be awarded 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 Borough Council community.

A full list of our services can be found on pages 12 and 13.

The Trust has a range of policies covering social, community, anti-bribery and human rights issues and monitors these through the Workforce and Staff Engagement Committee.

Our 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 can be seen below and we will continue to work to these objectives in 2018/19.

The Trust experienced a difficult 2017/18 financial year which resulted in a deficit position and a reduction in its cash balances. To mitigate the risks arising from the financial position and to give itself the best chance of financial turnaround the Trust Board has established a Financial Improvement Programme for 2018/19 with additional financial controls, targets and protocols. If achieved, the Trust will receive an additional £9m from the Provider Sustainability Fund. The Board is aware of the risk that if the financial plan is not achieved this indicates the existence of a material uncertainty that may cast significant doubt about the Trust's ability to continue as a going concern. This would be mitigated by the requirement of the Trust to borrow funds at some point in the next 12 months. The Board continues to monitor its monthly and future cash position and has governance arrangements in place to manage cash requirements throughout the year.

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.

Signed:
Date: 22nd May 2018

Jenni Ord
Chairman

Signed:
Dated: 22nd May 2018

Diane Wake
Chief Executive

Our vision
Trusted to provide safe, caring and effective services because people matter

NHS
The Dudley Group
NHS Foundation Trust

Deliver a great patient experience

- Improve engagement and involve patients, carers and the public in their care and the work of the Trust
- Maintain high performance in national operational performance standards:
  - Urgent care
  - Patient flow and delayed transfers of care
  - Deliver the National Cancer Strategy
  - Develop a five year plan for timely access to diagnostics
- Meet the referral to treatment time standards across all specialties
- Align clinical and non-clinical services to the Multi-specialty Community Provider model
- Deliver an improved CQC rating

Deliver safe and caring services

- Quality Priorities focus on:
  - Pressure ulcers
  - Infection control
  - Nutrition and hydration
  - Medication management
  - Incident management
  - Discharge processes
- The use of the National Early Warning Scores
- Improve End of Life Care
- Deliver the actions to reduce patient falls
- Deliver agreed CQUIN requirements
- Maintain good mortality performance
- Deliver safe staffing levels
- Deliver improvements in maternity care

Drive service improvement, innovation and transformation

- Transformation through the Digital Trust programme (Record, Share, Support)
- Increase access to 7 day services
- Transform and re-organise services to drive efficiency and improve key services:
  - Outpatient transformation
  - Theatres transformation
  - Implement Get it Right First Time recommendations for relevant specialties
  - Implement hospital pharmacy transformation plan
- Implement schemes outlined in the Clinical Strategy such as: Ophthalmology Cardiology redesign Paediatric services Therapies Black Country Pathology

Be the place people choose to work

- Enhance staff engagement through improved use of staff survey and best practice
- Maximise employee capability and well-being:
  - Improve sickness absence, mandatory training and appraisals
  - Workforce development

CARE

RESPECT

RESPONSIBILITY

Make the best use of what we have

- Match capacity to demand through the development of a demand/capacity management tool
- Deliver the agreed financial recovery plan through to 2019/2020:
  - Set budgets and monitor progress
  - Set a cost improvement programme of £20.8m
- Develop strategies to ensure the clinical workforce can continue to provide care

2018 2019

Deliver a viable future

- Maximise benefits through collaborative working
- Work proactively to become the provider of Multi-specialty Community Provider services
- Develop the Trust's market share and commercial opportunities
- Ensure we have the right staff to deliver the services of the future
- Manage our infrastructure to support new models of delivery

Integrated care closer to home

High quality hospital based care

Specialist services locally

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 monthly to Finance and Performance Committee, Board of Directors and Council of Governors. In addition, an electronic performance dashboard accessible via our staff intranet allows senior staff to closely monitor performance in their specific areas and weekly performance reports are discussed by executive directors.

Financial performance

During 2017/18, the Trust encountered a difficult financial environment in keeping with the majority of acute trusts within the NHS. The Trust was set a challenging target by NHS Improvement to achieve a £2.530m surplus in 2017/18. Signing up to this control total enabled the Trust the opportunity to earn additional bonus cash in the form of a Sustainability and Transformation Fund (STF).

The STF was introduced in 2016/17 for the first time to incentivise both financial and operational performance. The Trust was successful in 2016/17 in attaining a significant amount of STF but the 2017/18 position has fallen short due to the financial outturn and the operational performance against the emergency access four-hour target.

The Trust ultimately incurred a deficit of £10.493m compared to the planned £2.530m surplus: a financial performance that was just over £13m worse than plan.

Taking the additional STF of £4.728m into account, the Trust deficit reduced to £5.765m. These figures exclude the impairment of £1.428m.

Despite the operation of an onsite Urgent Care Centre, A&E activity continued to increase throughout the year. Elective activity also improved despite periods of adverse weather and requirements to cancel some planned activity over the winter period to allow for emergency pressures. Other activity fell short of plan although the Trust did deliver more outpatients than the previous year.

Summary activity

	2017/18			2016/17	Increase
	Plan	Actual	Variance	Actual	17/18 from 16/17 (%)
A&E attendances	101,381	103,426	2,045	102,692	0.7%
Elective spells	54,385	54,510	125	51,965	4.9%
Non-elective spells (excluding maternity)	54,123	51,540	-2,583	53,220	-3.2%
Births	4,518	4,435	-83	4,496	-1.4%
Outpatient attendances/procedures	515,055	489,622	-25,433	483,995	1.2%
Community attendances	391,603	381,533	-10,070	398,739	-4.3%

* figures for non-elective spells and outpatients have been adjusted for consistency purposes following a coding change that occurred in September 2017. * Figure includes impairment of £1.428m in 17/18.

Summary financial performance

	2017/18			2016/17
	Budget £000	Actual £000	Variance £000	Actual £000
Income	£348,551	£347,548	-£1,003	£339,783
Pay	-£206,895	-£214,622	-£7,637	-£203,168
Non-pay	-£116,422	-£120,202	-£3,780	-£114,173
EBITDA	£25,144	£12,724	-£12,420	£22,442
Depreciation and finance costs	-£22,614	-£24,573	£1,959	-£22,803
Net	£2,530	-£11,849	£14,379	-£361
Sustainability and transformation funding	£8,574	£4,728	-£3,846	£11,945
Final surplus for year	£11,104	-£7,121	-£18,225	£11,584

Summary Cost Improvement Programme

In addition, we have delivered a significant level of cost savings from improved efficiencies of circa £9.8m during the year. This was less than we planned (we had planned for £12.4m) but the cost of agency staff and reduced activity hampered the ability to achieve a higher outturn.

	2017/18		
	Plan	Actual	Variance
	£000	£000	£000
Pay Efficiencies	£3,997	£3,848	-£149
Non Pay Efficiencies	£4,588	£4,275	-£313
Income Efficiencies	£3,835	£1,696	-£2,139
Total CIP	£12,420	£9,819	-£2,601

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. The Trust spent over £11.7m on agency staff (in addition to staff it drew from its own bank of temporary staff). This pressure challenged the Trust both financially and operationally and is an area where concerted effort is being made in 2018/19 to further reverse this trend in spending through recruitment and retention of substantive staff.

Summary agency spends

	2015/16 £000	2016/17 £000	2017/18 £000
Medical	£2,308	£4,313	£3,847
Registered nursing and midwifery	£4,667	£6,210	£6,167
Unregistered nursing and midwifery	£162	£1,060	£213
Scientific/therapeutic	£1,444	£1,912	£1,354
Admin/manager	£1,044	£593	£128
Agency spends total	£9,625	£14,088	£11,708
Agency spends target			£5,772

In 2017/18, the Trust invested £17.2m on new facilities and equipment. Large building schemes included investment of £3.2m in the co-location of the Urgent Care Centre with our Emergency Department and £2.4m in the development of the new imaging suite at Guest Outpatient Centre. The Trust's Digital Trust Programme entered its second year of development with an investment of £5.4m. We also spent £3.2m on new and replacement medical equipment. All of these investments improve the efficiency of the services we provide.

Summary of capital investment

	Amount £000
Replacement Medical Equipment	£3,153
Information Technology	£1,759
Urgent Care Centre	£3,218
Guest Imaging Suite	£2,381
Digital Health Programme	£5,424
Other schemes	£507
Private Finance Initiative Lifecycle	£710
Total	£17,152

The Trust ended the year with a balance of £13.9 million, all held within the Government Banking Service, which is £4.1m less than the same time last year. This is due to the financial performance of the Trust and the lower STF earned in cash as a result. The Trust's overall liquidity position was at -7.6 days compared to the plan of 11.7 days.

During 2017/18, 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 per cent compliance. During 2017/18, the Trust continued its strong performance again and paid 99 per cent of non-NHS invoices in value terms and 97 per cent in quantity terms.

Operational performance against targets

Performance against the majority of national standards has once again been good with the vast majority of standards being achieved – with the exception of the four-hour standard to see treat, admit or discharge patients in less than four hours of arrival at A&E. Our operational performance is summarised in the table below:

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. Information about this, and the Trust's work to encourage more environmentally-friendly working practices, can be found on pages 44 to 45 of the Accountability Report (Section 2).

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

> **Relative quote (district nursing)**
>
> "Nurses visited promptly and were amazing in looking after our mum. They all spoke to her and manager her pain relief brilliantly. Brilliant ladies and a great service."

Summary activity

*prov. means provisional

		2017/18	
		Target	Actual
Infection Control	Number of C. diff cases (lapses in care)	29	17 (prov.)*
Cancer Waiting Targets	Two week wait for referral to first seen	93%	94.7% (prov.)
	31 day wait from diagnosis to treatment	96%	98.7% (prov.)
	62 day wait from referral to treatment	85%	85.2% (prov.)
Emergency Department	Patients waiting four hours or less to be seen, treated, admitted or discharged in A&E	95%	86.6%
Referral to Treatment - Elective patients	% of incomplete pathways waiting less than 18 weeks	92%	94%
DM01 – access to diagnostics	% of diagnostic tests waiting less than 6 weeks	99%	97.9%

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, Haematology 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 (including specialist skin cancer service)

Podiatry

Psychology

Radiology (X-ray, MRI and CT scanning)

Renal

Respiratory assessment and medicine

Rheumatology

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

Urology (including genito-urethral reconstruction)

Vascular laboratory

Vascular surgery (Black Country Vascular Network arterial site)

Women and Children's Outpatients

Corbett Outpatient Centre

Day Case Surgery Unit
Dietetic clinic
Dudley Rehabilitation Service*
Multi-professional rehabilitation
Orthotics
Outpatient clinics including:
- Adult Genetics
- Cardiology
- Dermatology
- Gastroenterology
- Gynaecology
- Neurology
- Older Persons and Stroke
- Respiratory
- Rheumatology
- Trauma and Orthopaedics
- Urology

Pharmacy
Phlebotomy (blood tests)
Podiatry
Radiology (X-ray, ultrasound scanning, DEXA bone scanning)

Guest Outpatient Centre

Abdominal Aortic Aneurysm Screening
Dudley Rehabilitation Service*
- Multidisciplinary clinics:
- Pain Management Programme
- Renal
- Respiratory
- Rheumatology
- Urology

Outpatient clinics including:
- Bladder Dysfunction Clinic
- Dermatology
- Gastroenterology
- Heart Failure Clinic
- Immunology
- Neurology
- Older People
- Orthoptics
- Pain Management

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
Community general surgery
Community gynaecology service
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
Orthoptics
Orthopaedic Assessment Service
Outpatient Parental Antibiotic Therapy (OPAT) and oncology outreach
Palliative Care Support Team (joint agency)
Paediatric community service
Physiotherapy – musculoskeletal Physiotherapy Service
Podiatric surgery
Podiatry
Tissue viability
Virtual ward

#*Integrated Nursing Teams include district nurses, long-term condition nurses and assertive case managers.*

*Dudley Rehabilitation Service includes: Parkinson's nurses, multiple sclerosis nurses, Integrated Living Team, stroke rehabilitation, physiotherapy, occupational therapy, speech and language therapy.

Section 2: Accountability Report

Directors' Report

The Board of Directors was established and constituted to meet the legal minimum requirements 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.

The Board of Directors Nomination and Remuneration Committee works closely with the Council of Governors Appointments Committee to review the balance and appropriateness of its members' skills and competencies.

The Health and Social Care Act 2008 (Regulated Activities) Regulations 2014 deal with the fit and proper persons test, which came into force in November 2014. We have complied with this requirement since May 2015 both upon appointment and with annual re-checks.

Non-executive directors can only be removed by a 75 per cent vote of the Council of Governors following a formal investigatory process, and the taking of independent legal advice, in accordance with guidance issued by our regulators.

We are confident that our Board 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 2017/18. During the year, we were 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 necessary steps to make themselves aware of any relevant audit information, through the delegated authority of the Audit committee they ensure 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. We confirm that we have met this requirement and that the income received in 2017/18 had no impact on our provision of goods and services for the purposes of the health service in England.

The Board of Directors is responsible for ensuring that we have effective governance arrangements supporting the delivery of our quality priorities. Regular reports on the Trust' progress against the established quality priorities are taken to both the Board and the Council of Governors by the chief nurse.

We have developed ward quality dashboards to support a local focus on the Trust quality metric, including the established quality priorities. These dashboards also ensure patients in each area can see at glance the quality performance of that ward. There is a plan to develop these dashboards to other non-ward clinical areas across 2018/19.

Performance against key quality priorities and such as arrangements for monitoring improvement in the quality of care and progress towards all quality standards can be found in the quality account, see page 3.

You can find more detail of how the Board of Directors has assessed itself against the well led framework through the Annual Governance Statement, see page 55.

Directors in post during the financial year

Diane Wake
Chief Executive

Paul Taylor
Director of Finance & Information (until December 2017)

Chris Walker
Acting Director of Finance & Information (during January 2018)

Tom Jackson
Director of Finance & Information (from February 2018)

Paul Bytheway
Chief Operating Officer (until September 2017)

Michael Woods
Chief Operating Officer (from October 2017 until January 2018)

Glen Palethorpe*
Director of Governance (Board Secretary)

Andrew McMenemy*
Director of HR

Jonathan Fellows
Non-executive Director (Deputy Chairman, Senior Independent Director)

Ann Becke
Non-executive Director

Dr Doug Wulff
Non-executive Director

Dr Mark Hopkin*
Associate Non-executive Director

Karen Kelly
Chief Operating Officer

Dr Paul Harrison
Medical Director/Acting Chief Executive (until October 2017)

Dr Matthew Banks
Acting Medical Director (until April 2017)

Dr Julian Hobbs
Acting Medical Director (from October 2017)

Dawn Wardell**
Chief Nurse (until May 2017)

Siobhan Jordan
Chief Nurse (from April 2018)

Anne Baines*
Director of Strategy & Performance (until June 2017)

Natalie Younes*
Director of Strategy & Business Development (from September 2017)

Mark Stanton*
Chief Information Officer

Jenni Ord
Chairman

Julian Atkins
Non-executive Director

Richard Miner
Non-executive Director

*Glen Palethorpe, Andrew McMenemy, Mark Stanton, Natalie Younes, Anne Baines and Mark Hopkin were non-voting directors and; therefore, their attendance is not listed on the attendance table on page 22. ** Dawn Wardell was seconded to NHSE from 31/03/17*

Board of Directors Structure as at 31st March 2018

Chief Executive
Diane Wake

Chairman
Jenni Ord

Chief Operating Officer
Karen Kelly

Deputy Chairman/Senior Independent Director
Jonathan Fellows

Chief Nurse
Siobhan Jordan

Non-executive Director
Ann Becke

Interim Medical Director
Dr Julian Hobbs

Non-executive Director
Richard Miner

Director of Finance & Information
Tom Jackson

Non-executive Director
Julian Atkins

Director of Governance/Board Secretary
Glen Palethorpe (non-voting)

Non-executive Director
Doug Wulff

Director of Strategy & Business Development
Natalie Younes (non-voting)

Director of Human Resources
Andrew McMenemy (non-voting)

Chief Information Officer
Mark Stanton (non-voting)

Jenni Ord
Chairman

Jenni was previously the chairman of Health Education West Midlands, the regional body responsible for training investment in the NHS workforce. Her early career was in education but she went onto become a senior civil servant taking up varied director roles at The Highways Agency in Organisational Development, IT Service Management and Asset Performance and Research. Prior to that 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. Other roles have included vice chair of Birmingham Metropolitan College, which locally incorporates Stourbridge College, and work associated with the West Midlands Heritage Lottery Fund and Midland Heart Housing Association.

Jenni is passionate about developing great NHS leadership, support for staff and high quality services.

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.

Jonathan Fellows
Non-executive Director (Deputy Chairman, Senior Independent Director)

Jonathan joined the Dudley Group as a non-executive director in October 2007, ahead of the Trust being awarded foundation trust status the following year. He is an experienced business professional, with a track record of achievement in executive and non-executive director roles in publicly listed and private companies, as well as in the NHS.

Jonathan is a Fellow of the Chartered Association of Certified Accountants and also a Fellow of the Association of Corporate Treasurers. Jonathan chairs the Trust Finance & Performance Committee, is a member of the Trust Audit Committee and is also the chair of the Black Country Pathology Service Oversight Group.

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 Coventry and Warwickshire Chamber of Commerce's subsidiary training company and 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.

Richard Miner
Non-executive Director

Richard is a chartered accountant by background and chairs the Audit Committee. Having joined the Trust in 2010, he is also a member of the Finance and Performance Committee, the Digital Trust Committee and sits on the Board of Dudley Clinical Services Limited.

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 a director of Enterprise FD Limited, 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.

Dr 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 Master's 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.

Mark Hopkin
Associate Non-executive Director

Mark is a general practitioner of 25 years and is a partner of Moss Grove Surgery in Kingswinford. Mark is passionate about respiratory medicine and is the clinical lead for Dudley Clinical Commissioning Group. He joined the Board in this new role of associate non-executive director in February 2017 and brings a wealth of primary care knowledge to the Board.

Quality of patient care is a clear priority for Mark and he has been fundamental in the review of respiratory pathways across Dudley and his work has shaped the respiratory work for the Multi-specialty Community Provider. His expertise is invaluable and provides another clinical expert at the Board.

Diane Wake
Chief Executive

A Registered nurse by background, Diane joined The Dudley Group NHS Foundation Trust in April 2017, from Barnsley Hospital NHS Foundation Trust where she was chief executive since 2013.

She has extensive experience in both clinical and leadership roles. Previously, she was interim CEO at Royal Liverpool and Broadgreen University Hospital NHS Trust, where she also worked as chief operating officer, director of infection prevention and executive nurse from 2007 to 2013.

Diane trained as nurse between 1984-1987 and has a comprehensive background in nursing occupying senior nurse leadership positions in surgical specialities of urology, colorectal, vascular and breast. Diane soon became a general manager, before joining Mid Yorkshire Hospitals NHS Trust as deputy director of nursing and operations and then onto Liverpool before her appointment as CEO of Barnsley Hospital NHS Foundation Trust.

Diane is chair of the Northern Burn care network. She has a passion for patient safety and high quality care and has knowledge and expertise in implementing robust governance processes. Diane lives in Shropshire.

Tom Jackson
Director of Finance

Tom joined the Trust from NHS Liverpool Clinical Commissioning Group and brought with him more than 25 years' experience in NHS finance. A Fellow of the Chartered Institute of Public Finance, Tom has fulfilled a number of financial leadership and transformation roles in the NHS. He has worked in most core NHS finance roles and has spent the last eight years at director level. In his previous role as chief finance officer, he provided strategic advice on financial management and played an active role to implementing the corporate strategy. Motivated by adding value, transformation and system working, Tom is excited about being able to support the Trust to improve services for the people of Dudley.

Siobhan Jordan
Chief Nurse

Siobhan has a wealth of senior nurse leader experience from a career spanning almost 30 years. Her NHS career has provided her with the opportunity to work in most healthcare settings, including primary care, commissioning and with the ambulance service. Most of her experience, however, has been within the acute environment where she has held three director of nursing and midwifery positions.

After completing her nurse training in 1991, Siobhan began her nursing career as a staff nurse in Accident and Emergency at The Princess Alexandra Hospital NHS Trust. Quickly moving up the ranks, Siobhan held her first chief nurse positon at Mid Essex Hospitals NHS Trust and then moved from Essex to Suffolk to take up post as director of nursing and quality for The Ipswich Hospital NHS Trust in 2010.

Siobhan embraced the opportunity to work with and learn from the Regulators, The Care Quality Commission, holding the position of head of hospital inspection, London in 2013.

Siobhan joined the Trust in 2017 as our interim chief nurse and was then appointed as our chief nurse in October 2017 she is a passionate leader and advocates for outstanding patient care, recognising that our staff are key to achieving this.

Karen Kelly
Chief Operating Officer

Karen joined us in January 2018 from Barnsley Hospital NHS Foundation Trust where she held the post of director of operations. A graduate of Keele University, Karen qualified as a nurse in 1993 and worked for more than 20 years at the University Hospital of North Staffordshire. She became part of the Transformation Team tasked with turning around Mid Staffordshire NHS Foundation Trust – becoming head of nursing there in 2010.

Following this, she held the post of medical nurse director, followed by deputy director of operations at The Royal Liverpool and Broadgreen University Hospital Trust. Karen is passionate about quality of care being delivered that ensures our patients are safe.

Dr Julian Hobbs
Interim Medical Director

Julian joined the Trust from Royal Liverpool where he has been deputy medical director and has been since 2013. Julian is also a deputy medical director and leads on mortality for Cheshire and Merseyside area team at NHS England.

Julian is a consultant cardiologist by background and has worked at Liverpool Heart and Chest Hospital alongside his current roles. Julian has had extensive experience in medical management roles for several years. He grew up in the Midlands area and is looking forward to returning, and hopes to fit in some running and cycling in Cannock Chase.

Julian said, "I am looking forward to being part of a Trust that is so well known for delivering safe and effective care and I am keen to get out and meet as many staff as possible. I am looking forward to being part of the new Electronic Patient Record project which will make systems more efficient and release more time for patient care."

Glen Palethorpe
Director of Governance (Board Secretary)

Glen is a member of the Institute of Company Secretaries and Administrators (ICSA) and also a qualified accountant. Glen is a member of the Healthcare Finance and Management Association and is a member of the governance technical group which supports the production of various guides including the NHS Audit Committee handbook.

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 and claims processes, along with oversight of the Trust's clinical audit team.

Natalie Younes
Director of Strategy & Performance

Natalie joined us from Lincolnshire and District Medical Services (LADMS) where she held a joint role of commercial director with the GP Federation and Mental Health Trust since 2011.

She originally started her career in Law and was called to the bar where she worked within social welfare, housing benefits, debt, employment and family law. This led onto working with the local authority focusing on deprivation and stimulating enterprise. Natalie then entered the NHS in 2010 primarily working on tendering and encouraging collaboration across providers.

Natalie said, "I am very excited to join the Trust and have the opportunity to drive business and service improvement and prepare for the NHS challenges of the future."

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 internationally 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 the Digital Trust programme which includes delivering a new Electronic Patient Record (EPR) and a health economy-wide shared record system

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 including delivering services that can be accessed directly by patients including Free WiFi and electronic patient letters.

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.
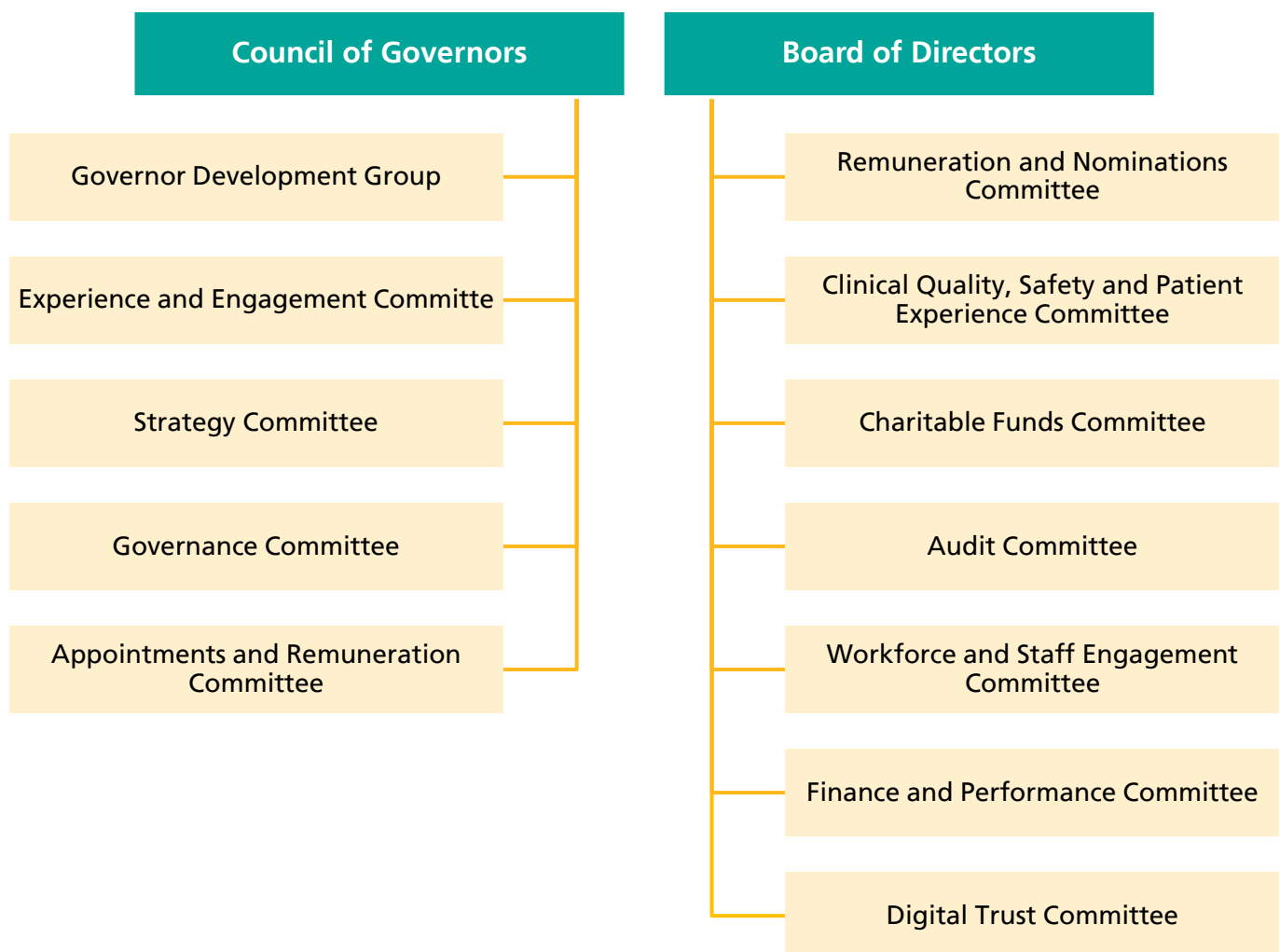
Andrew McMenemy
Director of Human Resources

Andrew has worked in the NHS for more than 20 years and has held two board-level positions in the West Midlands. He joined the Trust from Heart of England NHS Foundation Trust where he was deputy director of workforce.

He graduated from university in Glasgow with a degree in Law and also studied labour management relations in the United States. Andrew is a member of the Chartered Institute of Personnel and Development and is also a recent graduate of the NHS Nye Bevan programme for senior leaders.

Board of Directors committee structure

Council of Governors	Board of Directors
Governor Development Group	Remuneration and Nominations Committee
Experience and Engagement Committe	Clinical Quality, Safety and Patient Experience Committee
Strategy Committee	Charitable Funds Committee
Governance Committee	Audit Committee
Appointments and Remuneration Committee	Workforce and Staff Engagement Committee
	Finance and Performance Committee
	Digital Trust Committee

Board of Directors attendance

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

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

The Board of Directors met 12 times during 2017/18:

Attendance at Board of Directors meetings 2017/18		Attendance
Diane Wake	Chief Executive	10/11
Paul Taylor	Director of Finance and Information	7/9
Paul Harrison	Medical Director	6/6
Paul Bytheway	Chief Operating Officer	4/6
Glen Palethorpe	Director of Governance	11/12
Matt Banks	Acting Medical Director	1/1
Anne Baines		2/2
Tom Jackson	Director of Finance and Information	4/4
Julian Hobbs		6/6
Siobhan Jordan		9/10
Karen Kelly	Chief Operating Officer	3/3
Natalie Younes		5/6
Mark Stanton		12/12
Andrew McMenemy		10/12
Chris Walker	Acting Director of Finance	1/1
Jenni Ord	Chairman	12/12
Mark Hopkin	Associate Non-Executive Director	10/11
Doug Wulff	Non-executive Director	11/12
Julian Atkins	Non-executive Director	12/12
Richard Miner	Non-executive Director	12/12
Jonathan Fellows	Non-executive Director	9/12
Ann Becke	Non-executive Director	9/12

Partnership working

Sustainability and transformation

The NHS and local councils are developing and implementing shared proposals to improve health and care in every part of England. Over the next few years, these represent the biggest national move to join up care in any major western country. The Black Country and West Birmingham Sustainability and Transformation Plan covers a population of 1.4 million and has several key priorities:-

- Maternal and infant health – reduce current high levels of infant mortality to bring them in line with the national average.
- GP and community services – invest an extra £25m in GP services by 2021.
- Hospital services – the new Midland Metropolitan Hospital will treat over 570,000 people when it opens and will be one of a network of hospitals serving the Black Country and offering the right care in the right place at the right time.
- NHS 111 – ringing one telephone number, the people of the Black Country will be able to book a doctor's appointment, in evenings and at weekends, get dental advice, order a repeat prescription, or get urgent advice.
- Mental health services – changes to how health and care services work together will mean those suffering early psychosis will get access to therapy within two weeks.
- Tackling deprivation – co-operate across all STP partners to tackle deprivation and other wider determinants of health such as low educational achievement, inadequate housing and unemployment
- Workforce – build a stronger, more resilient health and care workforce that is able to take advantage of expanded career opportunities across the STP footprint.

We will continue to take an active part in the STP to help us find the best solutions on a bigger scale for all the people of the Black Country.

Prior to the STP, The Dudley Group was part of the Black Country Alliance (BCA) a partnership between ourselves, Sandwell and West Birmingham Hospitals NHS Trust and Walsall Healthcare NHS Trust looking for ways to collaborate and improve hospital based services across the Black Country. The Trust benefitted from several initiatives through the BCA including

the delivery of a seven day Interventional Radiology service across the region. The alliance came to an end in 2017 with the advent of the STP which will be delivering similar aims on a much larger scale.

Black Country Pathology Service

In early 2017, four trusts (ourselves, The Royal Wolverhampton NHS Trust, Sandwell and West Birmingham NHS Trust and Walsall Healthcare NHS Trust) formed a partnership to develop a single Black Country Pathology service. The service will see the creation of a hub at New Cross Hospital, Wolverhampton, with essential service laboratories at each of the other three trusts. The hub provision will require an extension to the existing facility at New Cross to accommodate the additional testing volumes and is expected to be open by June 2019.

The new system will bring together clinical expertise across the Black Country with the aims of achieving a sustainable, high quality care for patients. Among the ambitions for the service are to create a seven days services for all pathology disciplines which should lead to improved turnaround times.

Multi-specialty Community Provider (MCP)

The work to transform the way care out of hospital is provided in Dudley continues and we have worked with our partners, the GPs and Birmingham Community Healthcare, towards a final bid submission in May 2018. Given the fact that the merger of the three providers of Birmingham Community, Black Country Partnership and Dudley and Walsall Healthcare is no longer going ahead, the MCP is now looking to ensure that transaction partners have a more active role in the process.

Throughout the year, we have been working with colleagues in primary care on enacting changes in the short term including the active participation as part of the locality integrated community teams. This work sees our community staff collaborating with primary care and mental health colleagues for the benefit of patients.

Wyre Forest

We have continued to work in partnership with colleagues in the Wyre forest and have set up community ENT, gynaecology and general surgery clinics at Hume Street Medical Centre in Kidderminster. These clinics provide consultant-delivered care, locally for the people of

Kidderminster, and include access to clinical nurse specialist and audiology input, as necessary. The services have been set up in collaboration with Wyre Forest CCG.

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.

	2017/18		2016/17	
	Number	£000	Number	£000
Total non-NHS trade invoices paid in the year	56,232	206,884	62,517	195,769
Total non-NHS trade invoices paid within target	54,349	203,852	60,742	193,278
Percentage of non-NHS trade invoices paid within target	97%	99%	97%	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 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 2017/18 relating to consolidation, 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 2017/18 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 chief executive is only required to attend one meeting per year and the following also attended the meeting: Director of Finance and Information Paul Taylor, Acting Director of Finance Chris Walker, Director of Finance Tom Jackson, Director of Governance/Board Secretary Glen Palethorpe and the Trust's auditors also attend all meetings.

The Audit Committee met five times during the year:

Audit Committee membership		Attendance
Richard Miner	Non-executive Director (committee chair)	5/5
Jonathan Fellows	Non-executive Director	4/5
Ann Becke	Non-executive Director	4/5
In attendance		
Tom Jackson	Director of Finance	0/2
Glen Palethorpe	Director of Governance	5/5
Paul Taylor	Director of Finance and Information	1/3
Chris Walker	Deputy/Acting Director of Finance	5/5

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 Pricewaterhouse Coopers can be found on page 24 of the accounts.

Remuneration Report

Annual statement on remuneration
(Information not subject to audit)
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. Interview panels for executive director appointments are usually made up of existing directors, governors and external stakeholders. 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.

During the year, the Nomination and Remuneration committee approved the departure and replacement of the chief executive, approved the temporary acting up arrangements of the medical director to interim chief executive and approved the appointment of the substantive chief executive. The committee also received performance appraisal information for each of the executive directors and undertook an annual review to ensure the board continues to apply with the fit and proper person requirement.

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 and there are no plans for this in the future. No significant financial awards or compensation have been made to past senior managers during the reporting period. 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 mirror national terms and conditions of employment and 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 per cent in 2017/18.

The Trust has not consulted with employees when determining the senior managers' remuneration.

Jenni Ord, Remuneration and Nomination Committee Chair.

Salary and Pension entitlements of Senior Managers   <u>2017/18</u>

A) Remuneration (Information subject to audit)

Name and Title	Note	2017-18						2016-17					
		Salary (bands of £5,000)	*Expense payments (taxable) (to the nearest £100)	Performance pay and bonuses (bands of £5,000)	Long term performance pay and bonuses (bands of £5,000)	# All Pension Related Benefits (bands of £2,500)	Total (bands of £5,000)	Salary (bands of £5,000)	*Expense payments (taxable) (to the nearest £100)	Performance pay and bonuses (bands of £5,000)	Long term performance pay and bonuses (bands of £5,000)	#All Pension Related Benefits (bands of £2,500)	Total (bands of £5,000)
		£000	£	£000	£000	£000	£000	£000	£	£000	£000	£000	£000
Paula Clark, Chief Executive	A							90 - 95					90 - 95
Diane Wake, Chief Executive	B	180 - 185				140 - 142.5	320 – 325						0
Paul Harrison, Acting Chief Executive	C	90 - 95					90 – 95	180 - 185				67.5 - 70	250 - 255
Paul Taylor , Director of Finance & Information	F	100 - 105					100 – 105	135 - 140					135 - 140
Chris Walker, Acting Director of Finance	G	10 - 15				5 - 7.5	15 – 20						0
Tom Jackson, Director of Finance	H	25 - 30				17.5 - 20	40 – 45						0
Matthew Banks, Acting Medical Director	D	0 - 5					0 – 5	90 - 95				82.50 - 85	175 - 180
Julian Hobbs, Interim Medical Director	E	90 - 95											0
Paul Bytheway, Chief Operating Officer	I	80 - 85				52.5 - 55	140 – 145	115 - 120				2.5 - 5	120 - 125
Michael Woods, Interim Chief Operating Officer	J	35 - 40				250 - 252.5	285 – 290						0
Karen Kelly, Chief Operating Officer	K	30 - 35				7.5 - 10	40 – 45						0
Dawn Wardell, Chief Nurse	L						0	110 - 115				60 - 62.5	170 - 175
Siobhan Jordan, Chief Nurse	M	125 - 130				172.5 - 175	300 – 305						0
Jenni Ord, Chairman	N	45 - 50	1,600				45 – 50	45 - 50	2,100				50 - 55
Julian Atkins, Non Exec	O	10 - 15	300				10 - 15	10 - 15	800				10 - 15
Ann Becke, Non Exec		10 - 15	100				10 - 15	10 - 15	100				10 - 15
Jonathan Fellows, Non Exec		15 - 20					15 – 20	15 - 20					15 - 20
Richard Miner, Non Exec		15 - 20	600				15 – 20	15 - 20	800				15 - 20
Douglas Wulff, Non Exec		10 - 15	100				10 – 15	10 - 15	300				10 - 15
Aggregate Total		970 - 975	2,800	0	0	725 – 727.5	1,640 – 1,645	850 - 855	4,100	0	0	217.5 - 220	1,075 - 1,080

*   Expense Payments 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   Paula Clark left 31 October 2016
B   Diane Wake started 3 April 2017
C   Paul Harrison became acting chief executive 3 October 2016, resumed as medical director 3 April 2017 and stood down as medical director 2 October 2017. The banded remuneration of 55 - 60 (2016/17 110 - 115) relating to the clinical role is now included within the salary figure. .

D   Matthew Banks became acting medical director 3 October 2016 and stood down 3 April 2017. The banded remuneration of 0 - 5 (2016/17 75 - 80) relating to the clinical role is now included within the salary figure.
E   Julian Hobbs started 2 October 2017.   .
F   Paul Taylor left 31 December 2017.
G   Chris Walker became acting director of finance 1 January 2018 until 31 January 2018.

H   Tom Jackson started 1 February 2018
I   Paul Bytheway started 1 May 2015 and left 24 September 2017.
J   Michael Woods became chief operating officer 2 October 2017 and left 9 January
K   Karen Kelly started 2 January 2018
L   Dawn Wardell left 31 March 2017.
M Siobhan Jordan started 10 April 2017
N   Jenni Ord started 1 January 2016
O   Julian Atkins started 1 January 2016

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 2017/18 is £185,000 - £190,000 (2016/17 £230,000 - £235,000). This was 7.1 times (2016/17 8.9 times) the median remuneration of the workforce, which was £25,000 - £30,000 (2016/17 £25,000 - £30,000).

In 2017/18, there were no (2016/17   nil) employees who received remuneration in excess of the highest paid director.

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

B) Pension Benefits (Information subject to audit)

Name and Title	Note	Real increase in pension at age 60 (bands of £2,500)	Real increase in lump sum at age 60 (bands of £2,500)	Total accrued pension at age 60 at 31 March 2018 (bands of £5,000)	Lump sum at pension age related to accrued pension at 31 March 2018 (bands of £5,000)	Cash Equivalent Transfer Value at 1 April 2017	Real Increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2018	Employer's contribution to stakeholder pension
		£000	£000	£000	£000	£000	£000	£000	£000
Diane Wake, Chief Executive	1	60 - 62.5	182.5 - 185	60 - 65	180 - 185	0	1,167	1,167	
Paul Harrison, Acting Chief Executive	2	0	0	60 - 65	190 - 195	1,252	(55)	1,197	
Paul Taylor , Director of Finance & Information	3							0	
Chris Walker, Acting Director of Finance	1	0 - 2.5	0 - 2.5	25 - 30	80 - 85	398	3	401	
Tom Jackson, Director of Finance	1	0 - 2.5	0 - 2.5	45 - 50	125 - 130	710	17	727	
Matthew Banks, Acting Medical Director	1	0	0	40 - 45	120 - 125	750	7	757	
Julian Hobbs, Interim Medical Director	1	2.5 - 5.0	5 - 7.5	45 - 50	125 - 130	779	67	846	
Paul Bytheway, Chief Operating Officer	1	2.5 - 5.0	0 - 2.5	25 - 30	70 - 75	347	47	394	
Michael Woods, Interim Chief Operating Officer	1	10 - 12.5	30 - 32.5	10 - 15	30- 35	0	176	176	
Karen Kelly, Chief Operating Officer	1	0 - 2.5	0 - 2.5	40 - 45	125 - 130	829	22	851	
Siobhan Jordan, Chief Nurse	1	7.5 - 10	17.5 - 20	30 - 35	80 - 85	360	136	496	

Note:-

1   Figures shown reflect time in office during the year.

2 Figures shown reflect time in office during the year and include accrued benefits and contributions in respect of full salary, which will include both management and medical contributions.

3 No pension benefits are received.

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

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures, and from 200/05 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.
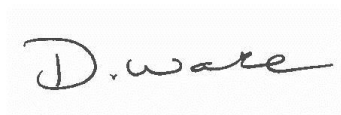
Due to the lead time required to perform calculations and prepare annual reports, the CETV figures quoted in this report for members of the NHS Pension Scheme are based on the previous discount rate and have not been recalculated.

The Trust is required to disclose the expenses paid to directors, non-executive directors and governors.

The band of the expenses paid for 2017/18 was £10,000 - £12,500 (2016/17 £12,500 - £15,000)

Signed   Date: 22nd May 2018

Diane Wake
Chief Executive

Annual report on remuneration (Information not subject to audit)

Senior managers' service contracts

Name	Position	Commencing	End
Paul Harrison	Acting Chief Executive	03/10/16	02/04/17
Diane Wake	Chief Executive	03/04/17	
Paul Taylor	Director of Finance and Information	01/10/14	31/12/17
Chris Walker	Acting Director of Finance and Information	01/01/18	31/01/18
Tom Jackson	Director of Finance	01/02/18	
Paul Bytheway	Chief Operating Officer	01/05/15	24/09/17
Michael Woods	Chief Operating Officer	02/10/17	09/01/18
Karen Kelly	Chief Operating Officer	02/01/18	
Dr Paul Harrison	Medical Director/Acting Chief Executive	01/06/06	02/10/17
Dr Matthew Banks	Acting Medical Director	03/10/16	30/04/17
Dr Julian Hobbs	Acting Medical Director	02/10/17	
Dawn Wardell	Chief Nurse	01/06/15	25/05/18**
Siobhan Jordan	Chief Nurse	10/04/17	
Jenni Ord	Chairman	01/01/16	31/12/18
Jonathan Fellows	Non-executive Director/Deputy Chairman and Senior Independent Director	25/10/2007	30/10/18
Anne Becke	Non-executive Director	01/11/2005	30/10/18
Doug Wulff	Non-executive Director	01/02/2015	31/01/21
Julian Atkins	Non-executive Director	04/01/2016	03/01/19
Richard Miner	Non-executive Director	01/05/2012	30/09/19

** Dawn Wardell was seconded to NHSE from 31/03/17

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 2017/18 at meetings are as follows:

Name	Position	Commencing
Jenni Ord	Chairman (Committee Chair)	2/2
Jonathan Fellows	Non-executive Director	0/2
Ann Becke	Non-executive Director	2/2
Richard Miner	Non-executive Director	2/2
Doug Wulff	Non-executive Director	1/2
Julian Atkins	Non-executive Director	2/2

Executive directors also attend the Nomination and Remuneration Committee on occasion.

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.

Governor and director expenses

During 2017/18, 17 individuals (2016/17 15) were executive or non-executive directors for the Trust. Of these, 11 (2016/17 9) received expenses in the reporting period and the aggregate sum of expenses paid was £11,518.77 (2016/17 £13,799.16). In addition, 25 individuals (2016/17 27) individuals were governors for the Trust. Of these, 2 (2016/18 5) received expenses in the reporting period and the aggregate sum of expenses paid was £174.56 (2016/17 £156.06).

Staff Report

Workforce overview

The Trust is a major employer in the Dudley borough, with 4,964 members of staff.

Staff in post at 31st March 2018

	Total	WTE*
Additional Professional Scientific and Technical	197	178.99
Additional Clinical Services	1132	960.69
Administrative and Clerical	995	871.63
Allied Health Professionals	367	307.85
Healthcare Scientists	125	111.79
Medical and Dental	503	479.68
Nursing & Midwifery Registered	1616	1432.01
Students	29	29.00
Total	**4,964**	**4,371.65**

* WTE is whole time equivalent

Equality and Diversity

During 2017/18, the Trust was a member of the NHS Employers Diversity Partners programme which provided support to further develop activities around equality and diversity. This, alongside the appointment of an equality coordinator, has supported progress on our equality delivery work.

The Trust reinstated the Diversity Management Group to provide further oversight and coordination of activities to improve access and experience for both patients and staff who are protected by at least one of the nine characteristics.

The Workforce and Staff Engagement Committee continued to monitor the Trust's activities in promoting equality and diversity and received a number of updates about our equality delivery work, which aims to support the Trust in agreeing key equality objectives and developing additional work to promote equality and diversity. This includes how we are meeting the duties outlined in the Equality Delivery System (EDS2) and Workforce Race Equality Standard (WRES). This includes gender pay reporting which, from April 2017, requires employers with 250 or more employees to publish statutory calculations each year showing the pay gap between male and female employees. You can read our report under About Us / Equality and Diversity on our website: www.dudleygroup.nhs.uk

During the year, the Board of Directors received a report on WRES, which included the Trust's employment statistics for 2016/17 against the equality and diversity characteristics. This is an annual process to ensure that the Trust is a providing fair opportunities for black and minority ethnic (BME) employees in relation to recruitment, training and development, and promotion. Access to training and the likelihood of BME staff being investigated were areas identified for action. The National NHS Leadership Academy 'Stepping Up' programme was accessed by nine Trust staff in 2018. This is a specific programme for BME staff in leadership roles. Work is underway to evaluate and provide further groups for the programme. Further work is underway to address other areas highlighted through this annual process.

Mandatory training, which includes a module on equality and diversity, was completed by more than 90 per cent of all Trust staff in 2017/18. All new employees also complete this mandatory module during their induction. For 2017/18, this now includes more information on autism and on supporting patients with disabilities.

We are subscribed to the 'Disability Confident' scheme which is a national standard that recognises that the Trust is positive about employing disabled people and have reviewed our recruitment practices. In order to progress through the levels in the scheme, the recruitment team will be developing a range of actions in 2018/19 which includes internships supporting applicants with disabilities, adapting recruitment processes to make it easier for people with disabilities to take part and providing guaranteed interviews for those with disabilities who meet the job criteria.

A range of other activities have been undertaken during 2017/18 to support people with characteristics protected by the Equality Act. For example, we have implemented and promoted the Accessible Information Standard to make sure we meet the needs of people with information and/or communication needs. This also includes the use of Recite-Me on the Trust website which enables the content to be adapted for a range of users. Braille language signs have been installed in toilets and a sensory garden has been created for children with disabilities.

Annually, we publish workforce data to support us in reviewing how well we are representing the local area and ensuring we promote employment and development opportunities to all.

	% of all applications received	% of all applicants shortlisted	% of applicants appointed
Disabled	4.50%	4.10%	3.90%
Non-disabled	93.90%	94.40%	94.80%
Undisclosed	1.60%	1.50%	1.30%

At 31st March 2018, the Board of Directors composed six non-executive directors and nine executive directors. Of the total, six were female and nine were male. Of the total number of staff employed by the Trust, 3,982 were female and 850 male.

The Sickness Absence Policy includes details on continuing the employment of, and making reasonable adjustments for, disabled individuals.

Detailed workforce statistics

NHS workforce statistics 2017/18

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.

		1st April 2017 to 31st March 2018	1st April 2016 to 31st March 2017	
Age	Under 18	0.12%	0.19%	
	18-19	0.62%	0.54%	
	20-24	7.01%	7.21%	
	25-29	12.39%	13.14%	
	30-34	13.54%	12.78%	
	35-39	11.50%	11.25%	
	40-44	11.20%	11.81%	
	45-49	13.60%	13.78%	
	50-54	14.26%	14.34%	
	55-59	9.95%	9.12%	
	60-64	4.23%	4.29%	
	65+	1.57%	1.55%	
Gender	Male	17.83%	17.57%	
	Female	82.17%	82.43%	
Ethnicity	White	68.29%	White	69.80%
	BME	16.10%	Mixed	1.12%
	Not stated	15.61%	Asian or Asian British	9.06%
			Black or Black British	3.48%
			Other	1.35%
			Not stated	15.17%

Average number of employees (WTE) (Information subject to audit)	2017/18			2016/17		
	Total number	Permanent number	Other number	Total number	Permanent number	Other number
Medical and dental	531	487	44	526	471	55
Ambulance staff	0	0	0	0	0	0
Administration and estates	876	852	24	852	808	44
Healthcare assistants and other support staff	1,371	1,286	85	1,340	1,177	163
Nursing, midwifery and health visiting staff	1,597	1,469	128	1,581	1,404	177
Nursing, midwifery and health visiting learners	33	33	0	34	34	0
Scientific, therapeutic and technical staff	308	285	23	303	276	27
Healthcare science staff	0	0	0	0	0	0
Social care staff	0	0	0	0	0	0
Agency and contract staff	0			0		
Bank staff	0			0		
Other	0	0	0	0	0	0
Total average numbers	4,716	4,412	304	4,636	4,170	466
Of which:						
Number of employees (WTE) engaged on capital projects	0	0	0	3	1	2

Staff costs (Information subject to audit)

	Year ended 31 March 2018			Year ended 31 March 2017		
	Total £'000	Permanent £'000	Other £'000	Total £'000	Permanent £'000	Other £'000
Salaries and wages	167,506	165,311	2,195	156,523	154,526	1,997
Social security costs	15,855	15,855	0	14,689	14,689	0
Apprenticeship levy	812	812	0	0	0	0
Employer's contributions to NHS Pensions	18,721	18,721	0	17,808	17,808	0
Pension Cost - other *	20	20	0	15	15	0
Termination Benefits	0	0	0	0	0	0
Temporary Staff (including agency)	11,708	0	11,708	14,088	0	14,088
NHS Charitable fund staff	44	44	0	44	44	0
Total	214,666	200,763	13,903		203,167	187,082

Staff Health and Wellbeing

Supporting our staff to be healthy at work is an important role undertaken. This year we have developed a range of activities to further support staff, alongside the core Health and Wellbeing Service which undertakes:

Pre-Employment checks – these make sure that our staff have the right immunisation to protect themselves and our patients and we are informed of any conditions we may need to support them with.

Support to staff who are unwell – this part of the service links with individuals, managers and the human resource team to provide support and advice to those who are unwell. They might be members of staff currently in work and who need specific advice and support or it may be for staff who are on short or long term sickness absence. This includes access to a consultant physician, referrals to other services and fast-tracking of appointments to support staff to stay in work or to return to work more quickly.

Mental Health Support – a range of support is in place for staff experiencing mental health issues which includes access to a counsellor at the Trust. During 2017/18, the Trust has begun a partnership with Remploy to offer a wider range of support to people experiencing mental health issues.

Physiotherapy Service for Staff – this dedicated service provides access to fast-track physiotherapy to support staff who have identified a musculoskeletal problem. It provides appointments and ongoing support for staff who have a MSK issue that requires ongoing support.

A drop in service is also available to allow rapid access to staff for acute issues.

During 2017/18, the staff physiotherapy service continued to work well and both drop in services and appointments are well utilised. Further activities to support staff are in development including pain management and back care to support those with ongoing conditions.

The Staff Health and Wellbeing Group promotes additional activities and has developed a range of new schemes this year. This has included developing a staff choir, mindfulness sessions to enable staff time and space to relax and de-stress, promoting healthy workplaces through staff health fairs and developing a range of physical activity initiatives. In addition, they have developed a support group for staff diagnosed with cancer.

A fruit stall is in place at the entrance to the building promoting healthy eating and further initiatives have been undertaken to improve access to healthy food choices in the Trust premises. This includes increasing the health eating options by limiting snacks with high sugar, fat and salt content; removing promotions on unhealthy foods and snacks and removing foods and drinks high in sugar, salt or fat from till-points.

Access to physical activity has improved through extended opening hours at the Action Heart gym. A number of physical challenges were undertaken during the year including a Santa Cycle race and Easter Bunny Boat Race to promote being active and raise money for the Trust Charity. Work will be continuing during 2018/19 to develop more opportunities to support staff to become healthier including the move towards a smoke free Trust.

The annual flu vaccine campaign was delivered between October 2017 and February 2018 to all staff, with a particular focus on clinical staff. The Trust significantly improved its vaccine uptake performance by patient-facing staff – increasing from 49.8 pre cent in 2016 to 75.85 pre cent in 2017/18 and meeting the expected performance of 70 per cent for the year.

	Staff sickness rate
Quarter 1 (Apr-Jun 2017)	3.72%
Quarter 2 (Jul-Sep 2017)	4.19%
Quarter 3 (Oct-Dec 2017)	4.83%
Quarter 4 (Jan-Mar 2018)	4.83%
Total for 2016/17	**4.40%**

Figures Converted by Department of Health and Social Care to Best Estimates of Required Data Items			Statistics Published by NHS Digital from Electronic Staff Record Data Warehouse	
Average FTE 2017	Adjusted FTE days lost to Cabinet Office definitions	Average Sick Day per FTE	FTE-Days Available	FTE-Days Lost to Sickness Absense
4,273	40,906	9.6	1,559,526	66,359

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 consistently reviews its policies and procedures to ensure compliance with statutory duties.

The Health and Safety Department continued to be instrumental in overcoming health and safety issues throughout the year ensuring safe standards are in place for staff, patients, visitors and other persons attending the site.

During 2017/18, the Trust implemented a new hand hygiene process for all staff to work towards eliminating occupational dermatitis. This was a collaborative project with infection prevention and control, staff health and wellbeing and health and safety working together to ensure protective measures are in place for the teams whilst not affecting the clinical practices within the areas.

In 2018/19, the Health and Safety Department will continue to focus on health related issues arising from the work activities undertaken and the working environment. The health and safety team will continue to work closely with other teams within the Trust to ensure that measures are in place to reduce the risk factors.

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.

Trust Volunteer Service

More than 450 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 81.

Some of the tasks volunteers undertake include:

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

- Patient friends
- Outpatient hosts
- Emergency Department hosts
- Chaplaincy support
- Fundraising activities
- Library trolley
- Patient experience

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. Individuals can find further information and apply online via our website: www.dudleygroup.nhs.uk/volunteering Alternatively, contact our Volunteers' Coordinator on (01384) 456111 extension 1887 or dgft.volunteering@nhs.net

NHS Staff Survey

The 2017 annual staff survey was conducted between October and December and all Trust staff were asked to participate.

Overall, 4,712 staff were invited to participate in 2017 with 1,702 staff returning completed surveys.

Response rate

	2017	2016
Trust Response rate	36.1%	44%
National Average response rate	43%	40%

*for combined acute and community trusts

Responses to questions are converted into 32 key findings and are displayed either as a percentage or as a scale summary score – with 5 being the maximum score and 1 being the minimum score.

Of the 32 key findings, this year 21 are on a par with or better than average for combined acute and community trusts.

The Trust's overall staff engagement score continues to be better than average with a score of **3.79 out of 5** for 2017. The average was **3.78.**

In comparison to performance in 2016, the Trust has improved in the percentage of staff appraisals having been completed within the last 12 months moving from 88 per cent to 90 per cent. There were five areas were scores declined since the previous survey. These included staff feeling unwell due to work related stress, recognition of staff and staff satisfaction with their level of responsibility and involvement. However, in relation to staff engagement, staff motivation at work increased over the same period of time.

Plans for 2018/19

After initial analysis of results, an engagement plan has been developed to share results will all staff. We will continue to develop our staff engagement plans through focus groups, ward walks and team meetings. Posters and summaries are being distributed to teams for local action. The key findings have identified broad themes for action, and the plans for 2018/19 are to identify a number of strategic aims and align actions alongside. The focus will be to identify a more strategic approach to organisation-wide improvements for staff and wellbeing and then to use the survey responses (alongside other measures throughout the year) as a benchmark. This gives the opportunity to focus on the bigger issues and in making improvements in areas already identified as important to staff – recognition, engagement, communication and staffing infrastructure.

Top and bottom key findings

Top five ranking Key Findings (KF) overall	Trust 2016	Trust 2017	Average 2017	Comparison
KF26 Percentage of staff experiencing harassment, bullying or abuse from staff in last 12 months (lower score better)	20%	21%	24%	+3% on average +1% on last year
KF31 Staff confidence and security in reporting unsafe clinical practices (higher score better)	3.74	3.74	3.67	+0.07 on average Same as last year
KF11 Percentage of staff appraised in last 12 months (higher score better)	88%	90%	86%	+ 4% on average +2% on last year
KF23 Percentage of staff experiencing physical violence from staff in last 12 months (lower score better)	1%	1%	2%	-1% on average Same as last year
KF12 Quality of appraisals (higher score better)	3.18	3.19	3.11	+0.08 on average +0.01 on last year

Bottom five ranking Key Findings (KF) overall	Trust 2016	Trust 2017	Average 2016	Comparison
KF16 Percentage of staff working extra hours (lower score better)	74%	75%	71%	+4% on average +1% on last year
KF22 Percentage of staff experiencing physical violence from patients, relatives or the public in the last 12 months (lower score better)	14%	16%	14%	+2% on average +2% on last year
KF18 Percentage of staff attending work in the last 3 months despite feeling unwell because they felt pressure from their manager, colleagues or themselves(lower score better)	53%	55%	53%	+2% on average +2% on last year
KF2 Staff satisfaction with the quality of work and care they are able to deliver (higher score better)	3.92%	3.83%	3.90%	-0.07 on average -0.09 on last year
KF17 Percentage of staff feeling unwell due to work related stress in the last 12 months (lower score better)	35%	41%	38%	+3% on average +6% on last year

The results provide a comparison between the areas where the Trust compares most favourably with other trusts; and those areas where we compare least favourably.

Staff Friends and Family Test

To help support the NHS Staff Survey, we also conduct the Staff Friends and Family Test (FFT) throughout the year. The Staff FFT allows us to collect feedback from staff on a quarterly basis which means we can analyse and share results with our staff. As 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 FFT is reported through to the workforce and staff engagement committee and forms a valuable source of information for our engagement plan.

The staff Friends and Family Test asks staff:

1. **How likely are you to recommend your Trust to friends and family if they needed care or treatment?**

2. **How likely are you to recommend your Trust to friends and family as a place to work?**

During 2017/18, the Staff Friends and Family Test received a total of 1,066 responses. On average for the year, 78 per cent of our staff would recommend us to friends and family if they needed care or treatment. The percentage of staff who would recommend us as a place to work averages at 60 per cent in 2017/18.

> **Patient quote (intermediate care team – occupational therapy)**
>
> "Service has been excellent. From the minute I arrived I had all the help I needed. Food first class, staff lovely."

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 message and who needs to act on it. One way is the front page of our Trust intranet – The Hub – where staff based in hospital or out in the community can read about Trust news including health campaigns, finance information, staffing and recruitment updates etc. Other ways we engage with our staff include:

Team Brief

The chief executive continues to maintain a monthly Team Brief to keep staff up to date on the Trust's strategic direction, new policies and other timely staff news. A paper handout accompanies Team Brief for those staff who cannot attend the session in person.

Healthcare Heroes

New to the Trust is our monthly Healthcare Heroes Awards which recognise the achievements of a team and an individual. Staff, patients and visitors can nominate anyone they feel has gone above and beyond the call of duty. The awards have proved extremely popular and attract in excess of 50 nominations a month. The chief executive personally chooses the winners and takes great delight in surprising them with a Healthcare Hero framed certificate. The awards are captured on video and these are uploaded to the Trust's Facebook page.

Patient Safety and Patient Experience Bulletins

We produce a weekly Patient Safety and Experience Bulletin which is emailed to every member of staff in the Trust. Each week, the electronic bulletin focuses on a key patient safety or experience topic chosen by a different guest editor around their area of expertise. The bulletin is sponsored by our chief nurse Siobhan Jordan and our medical director Julian Hobbs. Topics covered so far include: sepsis, nasogastric tube placement and cauda equina syndrome.

Committed to Excellence

We hold our main annual staff awards, Committed to Excellence, to recognise the achievements of both clinical and non-clinical staff. Staff and patients have been enthusiastic supporters of the awards nominating staff in one of five categories: Excellence in Patient Care; Excellence in Service Improvement, Unsung Hero – Clinical; Unsung Hero – Non-clinical and Team Excellence. For 2018, the awards are being revamped to include a special award for volunteers and a Healthcare Hero Award category to select the best of the award recipients from the previous 12 months.

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.

Chief Executive's Strategic Objectives Roadshows

Staff from all areas and all levels of the organisation were encouraged to attend strategic objective roadshows to find out what the Trust's objectives meant for them and how they can help to deliver them. The sessions explained the Trust's strategic direction for the coming year and how it will affect their work, specifically how they set appraisal targets.

Quality and Safety Reviews

Staff can also get involved via Quality and Safety Reviews – 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 63.

Staff Development

A range of learning opportunities are in place for staff to access, including a quarterly leadership forum for our middle and top leaders – they hear from guest speakers and have the opportunity to network. Our Developing Leaders programme has been launched upskilling our staff to lead teams and services. Further opportunities for development are offered through a range of apprenticeship qualifications, both for new and existing staff.

Additional support for learning and development is being put in place for 2018/19 to ensure our staff can grow and learn in our Trust.

Off-payroll engagements

There were no off-payroll engagements during 2017/18. It is our policy not to use off-payroll enagements.

Ed Tank   Individual Winner September 2017

Patient quote

"The staff were amazing!!!! So friendly, caring, helpful, understandable and professional. NHS saw me quicker than privately. The service was first class too. Feel very proud to have such a brilliant health system."

Exit packages (Information subject to audit)

Staff exit packages 2017/18

Exit package cost band (including any special payment element)	Number of compulsory redundancies	Cost of compulsory redundancies	Number of other departures agreed	Cost of other departures agreed	Total number of exit packages	Total cost of exit packages	Number of departures where special payments have been made	Cost of special payment element included in exit packages
	Number	£000s	Number	£000s	Number	£000	Number	£000s
<£10,000	0	0	12	22	12	22	0	0
£10,000 - £25,000	0	0	2	37	2	37	0	0
£25,001 - 50,000	0	0	1	30	1	30	0	0
£50,001 - £100,000	0	0	0	0	0	0	0	0
£100,001 - £150,000	0	0	0	0	0	0	0	0
£150,001 - £200,000	0	0	0	0	0	0	0	0
>£200,000	0	0	0	0	0	0	0	0
Total	0	0	15	89	15	89	0	0

Staff exit packages 2016/17

Exit package cost band (including any special payment element)	Number of compulsory redundancies Number	Cost of compulsory redundancies £000s	Number of other departures agreed Number	Cost of other departures agreed £000s	Total number of exit packages Number	Total cost of exit packages £000s	Number of departures where special payments have been made Number	Cost of special payment element included in exit packages £000s
<£10,000	0	0	12	21	12	21	0	0
£10,001 - £25,000	0	0	0	0	0	0	0	0
£25,001 - £50,000	0	0	0	0	0	0	0	0
£50,001 - £100,000	0	0	0	0	0	0	0	0
£100,001 - £150,000	0	0	0	0	0	0	0	0
£150,001 - £200,000	0	0	0	0	0	0	0	0
>£200,000	0	0	0	0	0	0	0	0
Total	0	0	12	21	12	21	0	0

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

	Payments agreed Number	Total value of agreements £000s	Payments agreed Number	Total value of agreements £000s
Voluntary redundancies including early retirement contractual costs	0	0	0	0
Mutually agreed resignations (MARS) contractual costs	0	0	0	0
Early retirements in the efficiency of the service contractual costs	0	0	0	0
Contractual payments in lieu of notice	15	89	12	21
Exit payments following employment tribunals or court orders	0	0	0	0
Non-contractual payments requiring HMT approval (special severance payments)*	0	0	0	0
Total**	15	89	12	21
of which: non-contractual payments requiring HMT 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.

Patient quote (clinical oncology)

"They took time to explain everything and didn't rush me at all. They were very friendly and caring . Made me feel like Ii mattered as a person, and I wasn't just another patient. THANK YOU X"

Sustainability and environment

The Trust is a significant employer, buyer and provider of services within the region and we recognise our activities have a detrimental effect on the environment. We have a responsibility to our staff, patients and wider community to act in a responsible manner. Our Sustainable Development Management Plan provides an opportunity for us to take significant strides towards lessening our impact through consuming less, emitting less from our buildings, providing sustainable travel opportunities and greener procurement, which will together minimise our impact on the environment.

NHS England has set a target of a 34 per cent reduction in carbon footprint by 2020 and an 80 per cent reduction by 2050 (based on 1990 levels). These targets are for reductions in absolute emissions, so will be even more challenging in the context of growth. Achieving the Climate Change Act 2008 target of 34 per cent reduction in Carbon Dioxide will present a significant challenge to the Trust and will require changes to the way we manage and operate our infrastructure, how we procure goods and services, how we dispose of our waste and how our staff, patients, suppliers and contractors travel to the Trust. The Trust's estates is owned and managed by our PFI partners. The Trust is now working closely with its PFI partners to identify carbon reduction projects and we expect these programmes of work to have a real impact on our carbon footprint in future years. The Trust will continue to use internal and external performance benchmarking to improve sustainability.

Our strategy is aimed at minimising the impact that our activities have on the environment by reducing the unnecessary and wasteful consumption of energy, by using energy derived from greener or more energy efficient sources and by improving the efficiency of our buildings and the equipment that is used within those buildings. We continue to work to reduce our use of energy and meet the 34 per cent reduction in carbon emissions target by working closely with Interserve, our PFI partner.

Our PFI partners are in the process of implementing two major changes:

- A new larger CHP system will replace the existing CHP system in 2018 in order to achieve greater fuel efficiencies; and
- There is anticipated to be a site-wide replacement of all light bulbs with LED lighting, which will reduce electricity consumption.

The Trust is committed to improving local air quality and improving the health of our community by promoting active travel to our staff, patients and the public who use our services. Our travel carbon footprint has increased for patient and visitor travel, which can be explained by the significant rise in patient contacts the Trust has experienced in recent years. However, our local initiatives have helped to achieve a net reduction in business travel and staff commuting. The table below outlines our travel statistics, including carbon footprint:

Category		2013/14	2014/15	2015/16	2016/17
Patient and visitor travel	Miles	305,259,251	312,303,717	338,745,305	356,117,915
	tCO_2e	112,785	114,750	122,502	128,705
Business travel and fleet	Miles	1,173,112	1,181,223	1,108,677	901,797
	tCO_2e	433	434	401	326
Staff commute	Miles	4,213,287	3,976,765	3,918,465	4,081,491
	tCO_2e	1,557	1,461	1,417	1,475

We support a culture of active travel to improve staff wellbeing and reduce sickness. Air pollution, accidents and noise caused by cars all cause health problems for our local population, patients, staff and visitors. There are a number of initiatives in place to promote active travel, for example:

- 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.
- The Trust also participates in a 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 bicycle and associated equipment up to a total cost of £1,000.
- We also maintain a good relationship with local transport providers who regularly visit the Trust's sites to provide free information to staff, patients and visitors about transport routes, service times and special offers on fares.

Our PFI partner, Interserve, also has a number of initiatives in place to reduce the travel carbon footprint. Interserve has 12 vans and a hybrid Toyota Prius for transporting products around Trust sites and to patients. This includes taking medical gasses to surgeries, delivering drugs out to cancer patients' homes and transporting medical equipment to community centres and GP surgeries.

The Trust is taking a new approach to procurement by implementing a shared services function with Walsall Healthcare NHS Trust and Sandwell and West Birmingham Hospitals NHS Trust. This will involve implementing a new inventory management system to optimise efficiency across the three trusts. The new inventory system will help the Trust realise financial savings by achieving economies of scale across all three trusts. This will lead to efficiency savings and reduce the carbon footprint as only one transaction and delivery method will be required. Further, the automation of processes through procure-to-pay and the data capabilities of the new system will lead to a vastly improved procurement function. The Trust will be able to benchmark performance against comparator trusts and aims to have the most efficient procurement function across the West Midlands.

The Sustainable Development Management Plan has a number of actions which will be delivered during 2018/19. The Trust will work with our PFI partners, staff and local community to deliver these actions. In addition the Trust will play a key role in delivering new models of care and implementing major change initiatives through the Black Country Sustainability and Transformation Plan (STP) and the Dudley Multispecialty Community Provider (MCP). Both of these initiatives will help drive sustainability within the Dudley Health Economy.

Foundation Trust membership

The membership of the Trust comprises local people and staff who are directly employed by us or our partner organisations. Our minimum age for membership is 14 years; there is no upper age limit. Full details of who is eligible to register as a member of the Trust are in the Trust Constitution which is available on our website 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 staff group constituencies unless they choose to opt out.

During 2017/18, we continued to promote membership to local communities and the importance of having a voice. We continue to maintain a public membership of more than 13,000. As at the 31st March 2018 the Trust had a total of 13,888 public members.

Membership growth

Membership	31 March 2015	31 March 2016	31 March 2017	31 March 2018
Public	13,770	13,981	13,875	13,888

The membership strategy continued to 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 public. Some of the events' younger guests who may be considering a career in healthcare say the tours are inspiring. Members continue to engage well with these events.

During 2017/18, we hosted one behind the scenes event at Russells Hall Hospital (in July) and more than 100 members and their guests attended and had a chance to meet staff from some of our specialties including day case, paediatric, learning disability, pharmacy, therapies and interventional radiology. There was also an opportunity to meet with the Trusts' governors and learn more about their role and the elections process.

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

Patient quote (community physiotherapy)

"Fantastic, professional, helpful advice. I feel that I am very lucky to have such an excellent service"

Membership report at 31 March 2018

Public Constituencies	Number of Members
Brierley Hill	1,774
Central Dudley	2,422
Halesowen	1,151
North Dudley	1,382
Outside of the West Midlands	365
Rest of the West Midlands	1,771
South Staffordshire and Wyre Forest	1,185
Stourbridge	1,712
Tipton and Rowley Regis	2,126

Staff Constituencies	Number of Members
Allied Health Professionals and Healthcare Scientists	689
Medical and Dental	503
Nursing and Midwifery	2,748
Non Clinical	995
Partner Organisations	649

Public membership breakdown by age, gender and ethnicity		Number of Members
Age	0-16 years	14
	17-21 years	761
	22+ years	12,665
	Not stated	448
Gender	Male	4,622
	Female	9,173
	Unspecified	93
Ethnicity	White	11,348
	Mixed	401
	Asian or Asian British	1,238
	Black or Black British	426
	Other	71
	Not stated	404

Council of Governors

The Council of Governors was formed on 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 continues to work 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 assigned as 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 governors to see non-executive directors function. Governors regularly attend public Board of Directors meetings.

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. The conditions are incorporated into the Foundation Trust Constitution.

The Council of Governors has the following key responsibilities:

- appointing and/or removing the chair, including appraisal and performance management
- appointing and/or removing the non-executive directors
- appointing 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
- recruiting and engaging with members
- advising on strategic direction
- receiving the Annual Accounts, any report of the auditor on them, and the Annual Report at the Annual Members' Meeting
- approving significant transactions which exceed 25 per cent by value of Trust assets, Trust income or increase/reduction to capital value
- approving any structural change to the organisation worth more than 10 per cent of the organisation's assets, revenue or capital by way of merger, acquisition, separation or dissolution
- deciding whether the level of private patient income would significantly interfere with

the Trust's principal purpose of providing NHS services
- approving amendments to the Trust's Constitution

Where an item is reserved for both Council of Governors and Board of Directors approval, for example a change to the Trust's Constitution, then this change would not be made if either party did not approve the recommendation put before them. In practice, a constructive and close working arrangement is maintained between the Council of Governors and Board through the Chair and Lead Governor and; therefore, disagreements have not occurred during the year.

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.

Patient quote (ENT)

"My ENT consultant was brilliant. I felt like he cared and really listened to me and has really tried his best to do everything within his powers to help with my illness."
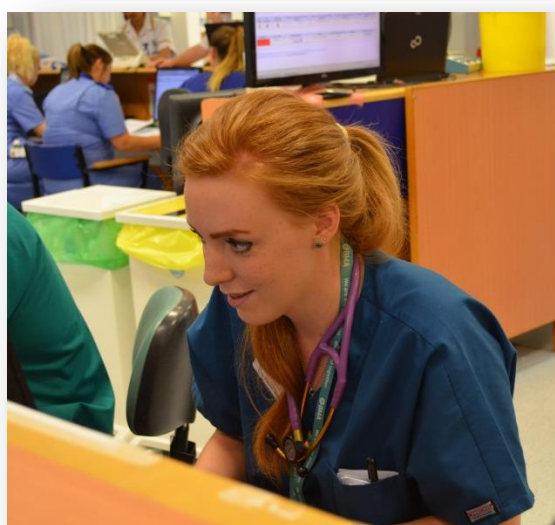
Council of Governor committees

The Council of Governors has established the following committees:

- Governor Development Group (chair Rob Johnson April - December 2017. Fred Allen January to March 2018)
- Appointments & Remuneration Committee (chair Rob Johnson April - December 2017. Fred Allen January to March 2018)
- Experience and Engagement Committee (chair Karen Phillips)
- Strategy Committee (chair Rob Johnson April - December 2017. Lydia Ellis January to March 2018)

- Governance Committee (chair Fred Allen April - December 2017. Nicola Piggott January to March 2018)

Council of Governors membership and meetings 2017/18

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 Trust members and the wider public are welcome to attend and observe.

In 2017/18, the full Council of Governors met on five occasions including the Annual Members' Meeting held in July 2017.

Attendance at full Council of Governors meetings 2017/18

Public Elected Governors	Public Constituency	Attendance
Mr Darren Adams (end of term Dec '17)	Stourbridge	3/3
Mr Fred Allen	Central Dudley	4/5
Mr Terry Brearley (elected Dec '17)	Brierley Hill	2/5
Mr Richard Brookes (end of term Dec '17)	Brierley Hill	3/3
Nr Arthur Brown (elected Dec '17)	Stourbridge	2/2
Mrs Lydia Ellis	Stourbridge	3/5
Ms Sandra Harris (elected Dec '17)	Central Dudley	2/2
Mr Rob Johnson (end of term Dec '17)	Halesowen	2/3
Mrs Diane Jones (end of term Dec '17)	South Staffordshire & Wyre Forest	0/5
Mrs Viv Kerry	Halesowen	4/5
Mrs Joan Morgan (end of term Dec '17)	Central Dudley	3/3
Mrs Natalie Neale (elected Dec '17)	Brierley Hill	1/2
Mr Rex Parmley (elected Dec '17)	Halesowen	2/2
Mr James Pearson-Jenkins (resigned Sept 17)	Tipton & Rowley Regis	0/2
Mrs Yvonne Peers (re-elected Dec '17)	North Dudley	3/5
Mrs Nicola Piggott	North Dudley	2/5
Mrs Pat Price	Rest of the West Midlands	3/5
Mr Peter Siviter (elected Dec '17)	South Staffordshire & Wyre Forest	2/2
Mrs Farzana Zaidi (elected Dec '17)	Tipton & Rowley Regis	1/2
Staff Elected Governors	**Staff Constituency**	
Mr Sohail Butt (resigned Dec '17)	Medical & Dental	2/4
Mr Bill Dainty	Nursing & Midwifery	4/5
Miss Jenny Glynn (resigned June '17)	Allied Health Professionals & Healthcare Scientists	1/1
Mrs Michelle Lawrence	Nursing & Midwifery	3/5
Mrs Ann Marsh (elected Mar '18)	Allied Health Professionals & Healthcare Scientists	1/1
Mrs Margaret Parker (elected Mar '18)	Nursing & Midwifery	1/1
Mrs Karen Phillips	Non-clinical	4/5
Mrs Edith Rollinson (elected Mar '18)	Allied Health Professionals & Healthcare Scientists	1/1
Mrs Jacky Snowdon (end of term Dec '17)	Nursing & Midwifery	1/4
Mr Alan Walker (re-elected Mar '18)	Partner Organisations	4/5
Appointed Governors	**Appointed Constituency**	
Cllr Adam Aston	Dudley Metropolitan Borough Council	2/5
Mr Ricky Bhogal (resigned June '17)	University of Birmingham Medical School	0/1
Dr Richard Gee (re-appointed Dec '17)	Dudley CCG	4/5
Dr Anthea Gregory (appointed Dec '17)	University of Wolverhampton	1/2
Mrs Mary Turner	Dudley CVS and Trust Volunteers	5/5

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 2017/18, members of the Board of Directors attended the following full Council of Governors meetings.

Executive and non-executive director attendance at full Council of Governors meetings 2017/18*

Director and title	Attendance
Julian Atkins Non-executive Director	4/5
Ann Becke Non-executive Director	1/5
Paul Bytheway Chief Operating Officer	2/3
Jonathan Fellows Non-executive Director	2/5
Paul Harrison Medical Director (until Sept '17)	1/3
Julian Hobbs Medical Director (joined Oct '17)	0/2
Tom Jackson Director of Finance	1/1
Siobhan Jordan Chief Nurse	5/5
Karen Kelly Chief Operating Officer	1/1
Andrew McMenemy Director of Human Resources	4/5
Richard Miner Non-executive Director	1/5
Jenni Ord Chairman	5/5
Glen Palethorpe Director of Governance/Board Secretary	5/5
Mark Stanton Chief Information Officer	2/5
Paul Taylor Director of Finance (interim)	2/3
Diane Wake Chief Executive	4/5
Michael Woods Chief Operating Officer (Interim)	1/1
Doug Wulff Non-executive Director	1/5

*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 2017/18, elections were held for vacancies in the following constituencies:

- **Public** Brierley Hill, North Dudley, Central Dudley, Halesowen, South Staffs & Wyre Forest, Stourbridge and Tipton & Rowley Regis

- **Staff** Nursing and Midwifery, Allied Health Professionals & Healthcare Scientists. Medical & Dental and Partner Organisations

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.

During the year, a total of seventeen members put themselves forward as nominees for the twelve vacancies arising with more than 11 per cent returning votes in contested elections. Electoral Reform Services was appointed to oversee the election process which returned the following governors for a three-year term:

Governors elected or appointed during 2017/18

December 2017 Governor and constituency
Arthur Brown Public: Stourbridge
Richard Gee Appointed: Dudley CCG
Anthea Gregory Appointed: University of Wolverhampton
Sandra Harris Public: Central Dudley
Natalie Neale Public: Brierley Hill
Rex Parmley Public: Halesowen
Yvonne Peers Public: North Dudley
Peter Siviter Public: South Staff & Wyre Forest
Farzana Zaidi Public: Tipton & Rowley Regis

March 2017 Governor and constituency
Ann Marsh Staff: Allied Health Professional and Healthcare Scientists
Margaret Parker Staff: Nursing & Midwifery
Edith Rollinson Staff: Allied Health Professional and Healthcare Scientists
Alan Walker Staff: Partner Organisations

Governors reaching end of term of office or resigning during 2017/18

Governor and constituency	Date end of term/ resigned
Darren Adams Public: Stourbridge	Dec 2017
Ricky Bhogal Appointed: University of Birmingham	Jun 2017
Richard Brookes Public: Brierley Hill	Dec 2017
Sohail Butt Staff: Medical & Dental	Dec 2017
Richard Gee Appointed: Dudley Clinical Commissioning Group	Dec 2017
Jenny Glynn Staff: Allied Health Professional and Healthcare Scientists	Jun 2017
Rob Johnson Public: Halesowen	Dec 2017
Diane Jones Public: South Staffs & Wyre Forest	Dec 2017
Joan Morgan Public: Central Dudley	Dec 2017
James Pearson Jenkins Public: Tipton & Rowley Regis	Sept 2017
Yvonne Peers Public: North Dudley	Dec 2017
Jackie Snowden Staff: Nursing & Midwifery	Dec 2017
Alan Walker Staff: Partner Organisations	

Council of Governors review 2017/18

Since authorisation, our Council of Governors has regularly conducted a review of its effectiveness in discharging its statutory and other duties. Throughout the year, governors have continued to participate in Trust activities that seek to assure and improve standards of quality and patient experience. Governors have joined senior Trust staff to complete Quality and Safety Reviews conducted across clinical and treatment areas of the Trust. Two governors are members of the Trust's 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. Governors also attend the Drugs and Therapeutic Group which reports to the Trust's Medicines Management Group. Governors are active members of the Clinical Education Charity.

During the year Governors have participated in the newly established mini-PLACE audits and also join the national PLACE audit as Patient Assessors.

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 2017/18, 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. Examples are given below:

Events attended in 2017/18	
April 2017	Dudley College – Careers & Volunteering Fair
May '17	Community event - How to Stay Happy in in Brierley Hill
July '17	Annual Members Meeting & health fair
Sept '17	Patient Participation Group (PPG) - Share, Learn & Network Event
Oct' 17	Meadowbrook Surgery PPG
Nov'17	People's Network – Let's talk about Dementia

Many of the our governors also actively participate in Trust-led events such as the behind the scenes events which provide Trust members and members of the wider community an opportunity to learn more about areas of the Trust.

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.

In July, the Council elected a new Lead Governor to serve alongside the existing Lead Governor who would stand down in December 2017. Fred Allen, Public Elected Governor for Brierley Hill was selected in March by the Council as successor to Rob Johnson, Public Elected Governor for Halesowen and enabled Fred Allen the opportunity to work alongside as an associate Lead Governor until formally taking up the role in December 2017.

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:

- at Council of Governors meetings in public
- at Board of Directors meetings in public
- at the Annual Members' Meeting
- at 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 dgft.foundationmembers@nhs.net

Telephone (01384) 321124

Write 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 obtained using the details above.

Patient quote (outpatients)

"Staff very friendly reassuring polite let you know what's happening explaining everything to you every step of the way brilliant. Thank you"

Code of Governance disclosures

For disclosures relating to the Trust's Council of Governors, please see pages 47 to 52 of this report.

For disclosures relating to the Trust's Board of Directors, please see pages 14 to 23 of this report.

For disclosures relating to the Nomination and Remuneration Committee, please see pages 26 to 31 of this report.

For disclosures relating to the Audit Committee, please see pages 25 of this report.

For disclosures relating to the Foundation Trust membership, please see pages 45 to 47 of this report.

Single oversight framework

NHS Improvement's Single Oversight Framework provides the framework for overseeing providers and identifying potential support needs. The framework looks at five themes:

- quality of care
- finance and use of resources
- operational performance
- strategic change
- leadership and improvement capability (well-led)

Based on information from these themes, providers are segmented from 1 to 4, where '4' reflects providers receiving the most support, and '1' reflects providers with maximum autonomy. A

foundation trust will only be in segments 3 or 4 where it has been found to be in breach or suspected breach of its licence.

The Single Oversight Framework applied from Quarter 3 of 2016/17. Prior to this, Monitor's Risk Assessment Framework (RAF) was in place. Information for the prior year and first two quarters of 2016/17 relating to the RAF has not been presented as the basis of accountability was different. This is in line with NHS Improvement's guidance for annual reports.

Segmentation

The latest reported segmentation from NHS Improvement puts The Dudley Group NHS Foundation Trust within segment 2, where segmentation of 3 or 4 would indicate a trust is or is likely to be breach of its licence. There were no issues within the Trust's annual review of its governance, risk management and systems of internal control that are recorded within the Trust's Annual Governance Statement (page 43 onwards) that would indicate a change in segmentation is likely.

Finance and use of resources

The finance and use of resources theme is based on the scoring of five measures from '1' to '4', where '1' reflects the strongest performance. These scores are then weighted to give an overall score. Given that finance and use of resources is only one of the five themes feeding into the Single Oversight Framework, the segmentation of the Trust disclosed above might not be the same as the overall finance score here.

Area	Metric	2017/18 Scores				2016/17 Scores	
		Q4	Q3	Q2	Q1	Q4	Q3
Financial sustainability	Capital service capacity	4	4	3	3	2	3
	Liquidity	2	1	1	1	1	1
Financial efficiency	Income & Expenditure margin	4	3	1	1	1	1
Financial controls	Distance from financial plan	4	4	1	1	1	2
	Agency spend	4	4	4	4	4	4
Overall scoring		**4**	**3**	**3**	**3**	**3**	**3**

*If any of the five measures scores '4' then the overall score can only be a maximum of '3'.

The Trust did not achieve its agency spend target set by NHSI of £5.772m. This resulted in the Trust scoring a '4' in the agency spend metric.

Statement of accounting officer's responsibilities

Statement of the chief executive's responsibilities as the accounting officer of 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 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 NHS Improvement.

NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which require The Dudley Group NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. 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 Department of Health and Social Care's Group Accounting Manual and in particular to:
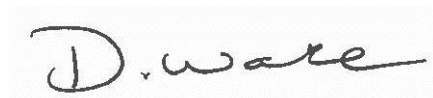
- observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis

- make judgements and estimates on a reasonable basis

- state whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual (and the Department of Health and Social Care Group Accounting Manual) have been followed, and disclose and explain any material departures in the financial statements

- ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance and

- prepare the financial statements on a going concern basis.

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

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

Signed   Date: 22nd May 2018

Diane Wake

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 2018 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The director of governance and board secretary has board level responsibility for the oversight of the Trust's risk management policies and processes. The Board of Directors has established a Risk and Assurance Group, which met quarterly for the first three quarters of the year and then moved to monthly from February 2018. The group reviews 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 and to support learning. 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 elearning 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.

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 their determined target score 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. In 2017/18, each board committee undertook to review in more detail a sample of risks where it is the allocated oversight committee. Each committee confirmed the outcome of its reviews within the report to the board.

This information flow complimented the reviews undertaken by the Audit Committee on the board corporate risk and assurance frameworks. 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 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 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 Nursing Care Indicators and the robust monitoring against local and national targets for quality measures including healthcare associated infections (HCAI), pressure ulcers and falls, all of these linking to the Trust's own quality priorities.

The Trust developed its integrated performance report during 2017/18 which sees a consistent base set of data being used to report to each of the workforce, finance and performance and clinical quality, safety and patient experience committees as well as operationally to the divisions and the executive team. Complementing this reporting has been the development of quality dashboards for each ward which provides visual feedback on quality metric delivery for staff and patients.

Nursing Care Indicator audits along with the undertaking of matron observation 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 Trust's established 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 over the minimum level by securing a Level 3 in eight of the 45 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 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 Black County Sustainability and Transformation Plan footprint, 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 meet the key emergency access performance target

At the beginning of 2017/18, the Trust saw good performance in respect of the emergency access target to see, treat, admit or discharge 95 per cent of patients within four hours of arrival at our Emergency Department. However, for the last two quarters of the year, the Trust, in line with the whole NHS, has seen increased pressure on emergency services the organisation did not achieve this target.

The Trust has reviewed the emergency access pathway and worked with Dudley CCG to co-locate the Urgent Treatment Centre with our Accident and Emergency Department with building works completed at the end of February 2018. The new facility is designed to offer improved assessment space for patients arriving by ambulance which should improve their experience of the service.

New models of care pathways within our emergency services were implemented in March to rapidly see and treat acute medical illness and stream these patients to the Acute Medical Unit away from the Emergency Department.

Failure to reduce the number of delayed transfers of care

The Board recognised the financial pressure the Dudley local authority has been under to manage this rising demand for social care, and the Trust has continued this year to actively engage with the local authority to address this risk. However, the Trust has seen an increase in the number of delayed transfer of care patients remaining in hospital beds. The work undertaken by the local authority and the strong partnership working in place the Trust has seen a reduction in local patients remaining in hospital longer than is needed but this has not been replicated with patients out of the Dudley area. Out of area delays are complex and, therefore, this risk has remained high across the year and it is anticipated that it will remain so into 2018/19.

Failure of the PFI provider to maintain the building in line with statutory requirements and to ensure a resilient estate

The Board has held a series of formal meetings with the PFI provider across the year recognising the significant performance issues identified by the Trust's own management checks of the PFIs contractual performance. Enhanced reporting of the qualitative aspects of the PFI provider's performance has been provided to Clinical

Quality, Safety and Patient Experience Committee and through specific reports to the board itself. The PFI partner has made changes to its local senior team which should see the provider's performance improve in 2018/19.

Reduced capacity within safeguarding adults/children team due to infrastructure vulnerabilities

The Board recognised that the Trust needed to invest in its safeguarding team and has appointed a new head of safeguarding along with further specialist staff. The Trust has also worked with The Black Country Partnership NHS Foundation Trust who provides the specialist paediatric liaison nurse to better co-ordinate their work and to co-locate them with the Trust's safeguarding team which allows more efficient workflow. These changes, especially the recruitment of staff, will strengthen safeguarding processes and capacity. This will see this risk being mitigated in 2018/19.

Competing demands on clinicians' time may lead to a lack of quality clinical input across key Trust projects

The Board has recognised the level of clinical input required across a number of key developments within the Trust this year, and into next, as a risk. The medical director has, through the job planning process, sought to assist in mitigating this risk. The time allocated and spent at a divisional level and the range of demands on clinician's time has been reviewed and will assist in mitigating this risk. The Trust has invested in more clinical information officers and appointed to the post of a newly created clinical safety officer to support the desired level of clinical engagement with the Trusts' Digital Trust project. This risk will remain into 2018/19 given the level of Sustainability and Transformation Partnership projects coupled with the ongoing development of the Multi-speciality Community Provider revised clinical pathways.

Safer staffing levels

The Board has received assurance through regular updates provided by the chief nurse on the staffing levels at a clinical delivery (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. The reporting to the board has identified that the Trust has remained safely staffed throughout the year. However, in recognition of the continued pressure within the area of staffing, especially with the higher than planned reliance on agency staff, the board has approved a programme of investment for the recruitment of more substantive nurses across the Trust.

High dependency on agency staff

The Trust has seen a reduction in the use of agency staff in 2017/18; this is in part due to the need to ensure safe staffing levels are maintained during the sustained period of increased demand on Trust services and, in part, to fill natural gaps in staff rotas as staff retire or leave the Trust. The Trust has undertaken a number of initiatives to improve both the recruitment and retention of staff to reduce the Trust's reliance on agency staff. The Trust has proactively sought advice from NHS Improvement in this area, which has been used to check that the Trust's strategies in this area are robust. Their advice has enabled the Trust to gain confidence in its developed processes as NHS Improvement was able to benchmark the Trust's processes against exemplar peers.

The Trust has made improvements in this area but, with the continued pressure on services and the national challenges in respect of the recruitment within all categories of medical, nursing and health care professionals, the board anticipates this risk will remain a key risk for the Trust across 2017/18.

Failure to deliver the 2017/18 Trust's Cost Improvement (Transformation) Programme

During the year, the Finance and Performance Committee has provided oversight of the Trust's delivery of its established Cost Improvement Programme. Whilst the Trust has broadly delivered the same magnitude of cost improvement this year (2017/18) as it did last year (2016/17), the Trust has under delivered on its established 2017/18 plan. The under delivery of the plan was significantly impacted by the Trust's

inability to achieve the reduction in agency staff that was within the 2017/18 approved plan.

Trust plans assume a significant level of income at risk from commissioners

In setting the 2017/18 annual plan, the Board recognised the system risk in respect of the inability of the system to stem demand for no-elective care. This risk has been discussed regularly with the commissioners and was mitigated as part of the contract performance meetings across the year. It is recognised that a similar risk will be prevalent in 2018/19.

Failure to remain financially sustainable in 2017/18 and beyond

The Board recognised the level of risk within its developed financial plan especially in respect of the set control total and its link to Sustainability and Transformation Partnership funding. The board has through the Finance and Performance Committee received regular reports on the Trust's financial position, and has continued to assess the risk for both the current year and future years. The board, in approving its outline 2018/19 financial plan, has recognised there remains a high degree of financial risk associated with the delivery of its objectives.

Lack of paediatric medical workforce capacity to meet service demands, standards and recommendations resulting in overdue follow up appointments

During the year, the Surgery, Women's and Children's Division identified a back log in meeting the demand for their paediatric outpatient service. The Division formulated an improvement plan which is being delivered. During the period of the backlog the risk was monitored by the Clinical Quality, Safety and Patient Experience Committee and there was increased reporting to Dudley Clinical Commissioning Group. As a result of the work delivered then this risk has been reduced.

The delivery of a safe and effective Emergency Care service

During the recent CQC inspection, the CQC raised a number of concerns. As a result of these concerns, the Board agreed to the placing of a specific risk on the Trust's Board Assurance Framework. The Trust has established a comprehensive improvement plan which not only address the CQC concerns, many of which

were addressed immediately as they were raised, but also planned service improvements, some linked to the planned building works to co-locate the Urgent Treatment Centre within the Emergency Department. The tracking of these actions is overseen by the Clinical Quality, Safety and Patient Experience Committee as well as through the divisional and directorate governance meetings. Further work is required within the Emergency Department to increase the space in the resuscitation area.

New models of care

The Board has recognised that its support and contribution to the development of MCP new models of care across Dudley is not without risks for the Trust. The Board see these risks falling across two main areas, the financial impact of the development of the new care model and the workforce capacity impact associated with the development of the new care model along with the establishment of a separate organisational form for the MCP which is a requirement of the Dudley CCG contract. The Trust is working with all relevant system partners and with the regulators to manage this risk.

During 2016/17, 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 2017/18, the Board commissioned an external independent assessment of the board's effectiveness against the Monitor Well Led Framework. The outcome of this work was reported back to the board along with a developed action plan. The CQC also undertook its annual Well Led assessment this year. The outcome of the CQC assessment resulted in the Trust receiving a rating of "requires improvement" for well led.

The Trust had developed an action plan to improve the effectiveness of both the board and the divisional management structure based on the external board effectiveness review. This also includes a structured clinical leadership development programme linked to the development of the Trust's clinical strategy and

drive to become a more clinically led organisation. The subsequent CQC conclusion corroborated the actions identified reported to the board. The director of governance has incorporated both the findings from the external review and the CQC into the main quality and service improvement plan for the Trust for 2018/19. Reporting on progress against this plan is scheduled to be provided to the board across the coming year.

In accordance with Schedule 7 of the National Health Service Act 2006 (as amended by the Health and Social Care Act 2012) only directors may be members of the Board committees. All committees of the board are chaired by non-executive directors. The board has established seven committees, each with clear terms of reference which are reviewed annually to ensure they remain appropriate to support the board. The review within 2017/18 did not require any significant changes to any of the individual committee terms of reference. Each committee chair provides a formal summary of key issues arising from the committee to the full Board of Directors. This summary report provides information on the assurance received at the committee which supports the Trust's assurance framework and performance reporting ultimately received by the board.

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. Where major service re-design is initiated patients and their views are taken into account, to understand how changes may affect them, an example of this, was in respect of the Trust's day case transformation programme where improvements, including the extending of the opening times of the unit, were based on the views of our patients and their feedback to these changes have been positive.

Whilst during this year the CQC has served two Section 31 notices, neither placed any restrictions on Trust's licence and, therefore, the Foundation Trust is compliant with the registration requirements of the Care Quality Commission (CQC).

The CQC issued its report on the Trust as a result of its recent inspection in 2017/18. This report rated the Trust overall as 'requires improvement'. In arriving at this overall assessment, the CQC assessed 44 elements within five areas. Of the 44 elements, 27 were rated as 'good' which meant that in the service rating for medical care, maternity and community services, the Trust was

The monitoring of the delivery of this improvement plan will be reported to the Board and the Clinical Quality, Safety and Patient Experience Committee as well as providing formal feedback to the CQC themselves. In order to support the board's continued review of the Trust's compliance with the CQC's requirements, management has continued with their regular internal quality and safety reviews. These involve a multi-disciplinary team, including members of our Council of Governors and representatives of the Dudley Clinical Commissioning Group's Quality Team, visiting clinical areas on an unannounced basis to observe clinical practices, question staff on their knowledge and compliance with Trust polices 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 three never events in 2017/18, each was reported and investigated through the Trust's incident reporting systems. The Trust made immediate changes to practice on the identification of these incidents and, upon the conclusion of each of the investigation, made further enhancements to the system of internal control operated by the clinical area. The learning from these incidents 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 the application of the Trust's Duty of Candour processes.

in fact rated as 'good'. The CQC also reconfirmed the 'good' ratings for surgery, outpatients and end of life although these were not subject to a detailed inspection between December 2017 and January 2018. For the service areas where the Trust was rated as 'inadequate' or 'requires improvement', a detailed action plan was put in place.

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 a detailed Annual Plan 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 NHS Improvement.

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 2017/18 this has materialised in the Trust not achieving its original control total surplus. The Trust recognises that this financial risk will continue into 2018/19. The Trust continues with its transformation programme to ensure that it remains financially sustainable going forward and underpins the Trust's longer term financial strategy.

Performance review meetings assess each division's performance across a full range of financial, operational and quality matrices which, in turn, forms the basis of the monthly integrate performance report to the Finance and Performance Committee. Monthly reports are submitted to NHS Improvement from which the Trust's risk rating is calculated and a relevant NHS Improvement Single Oversight Framework segmentation is assigned. The Trust has been assigned a segmentation rating of 2, where segmentation of 3 or 4 would indicate a Trust is or is likely to be breach of its licence.

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 receives a monthly report showing the Trust's performance against CQUIN, NHS Improvement 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 NHS Improvement, 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 against all 45 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 own assessment. The Trust has maintained its ISO 27001 accreditation in respect of its IT Security processes; this accreditation was maintained after a successful external validation of the Trust's processes which provided further assurance in respect of the Trust's information governance processes.

The Trust has reported two incidents to the Information Commissioner (ICO) where breaches to the confidentiality of data occurred. For each incident, a full investigation was undertaken in accordance with the Trust's incident management policy and procedures. The learning from these incidents has been shared widely within the Trust. Both the ICO and our commissioners have been engaged during our investigation process, as appropriate, and are satisfied that we acted swiftly and appropriately engaging with the affected patients where necessary throughout the investigation.

Annual Quality Report

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare Quality Accounts for each financial year. NHS Improvement (in exercise of powers conferred on 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 2016/17 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 co-ordinated 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 2017/18 this work included a review of the data quality systems underpinning the Trust's Referral to Treatment (RTT) waiting time reporting which considered and concluded positively on the work and controls in place within the access team for validating the data.

However, the work of the Trust's external auditors identified a national issue with the data quality relating to the RTT data. This being once the reported data is centrally fixed and cannot then be changed by any subsequent validation activity undertaken by the Trust. The external auditors also identified that the period close date used by the Trust was the last Sunday of the month rather than the actual month end date which again could impact on the completeness of the data reported.

In addition to the internal audit review, 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 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.

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 2017/18, the work of the internal auditors and the board's review of the Board Assurance Framework and supporting risk management and 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 improvement is made to the systems in place across the Trust.

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.
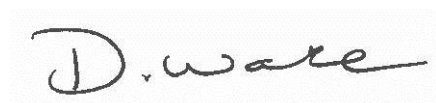
Based on the work undertaken by a range of assurance providers, there were no significant control issues identified during 2017/18.

Where improvements have been recommended, then robust mechanisms have been established to track the delivery of these improvements. These include for those made by the CQC within their two Section 31 notices we established a comprehensive service improvement plan and have been tracking their implementation at both management and Board / Committee levels. Management proactively sought to enhance its oversight of the Trust's cost improvement delivery, the delivery of which is key to the Trust's continuing to be a going concern, through the establishment of a Financial Improvement Group which reports to the Finance and Performance Committee.

I, therefore, believe that the Annual Governance Statement is a balanced reflection of the actual control position in place within the year.

Signed   Date: 22nd May 2018

Diane Wake
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.
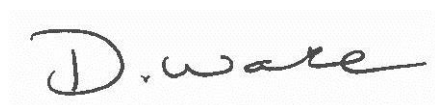
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction of the Secretary of State. They 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: 22nd May 2018

Diane Wake
Chief Executive

Signed   Date: 22nd May 2018

Tom Jackson
Director of Finance

Independent Auditors' Report to the Council of Governors of The Dudley Group NHS Foundation Trust

Report on the audit of the financial statements

Opinion

In our opinion, The Dudley Group NHS Foundation Trust's Group and Trust financial statements:

- give a true and fair view of the state of the Group and Trust's affairs as at 31 March 2018 and of the Group and Trust's income and expenditure and cash flows for the year then ended; and

- have been properly prepared in accordance with the Department of Health and Social Care Group Accounting Manual 2017/18.

We have audited the financial statements, included within the Annual Report and Accounts (the "Annual Report"), which comprise: the Consolidated and Foundation Trust Statement of Financial Position as at 31 March 2018; the Consolidated and Foundation Trust Statements of Comprehensive Income for the year then ended; the Consolidated and Foundation Trust Statement of Cashflows for the year then ended; the Consolidated and Foundation Trust Statements of Changes in Taxpayer's and Others' Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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 of Audit Practice"), International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty relating to going concern

In forming our opinion on the Group financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the Group's and the Trust's ability to continue as a going concern.

The Trust recorded a financial deficit in 2017/18, and whilst the Trust is forecasting a financial surplus for 2018/19, this is dependent on a significant improvement in financial performance, and on receiving the Trust's allocated share of the Provider Sustainability Fund (PSF) from NHS Improvement. To receive its share of the PSF in full, the Trust must achieve its financial plan and its Accident and Emergency (A&E) waiting times target regarding the percentage of patients who are admitted, transferred or discharged within 4 hours of their arrival at an A&E department.

The Trust's cash forecasts indicate that, should the necessary improvements in financial performance not be achieved, the Trust will be reliant on external cash support from the Department of Health within the 2018/19 financial year.

These conditions, along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Group's and the Trust's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group or the Trust were unable to continue as a going concern.

Explanation of material uncertainty

The financial performance of the Trust during 2017/18, with a deficit position and deterioration in the cash balance, requires us to consider whether there are material uncertainties that should be disclosed in the accounts.

The Trust has produced a financial plan for 2018/19 which includes a cashflow forecast. We noted a number of financial dependencies which the Trust will need to achieve in order to meet its plan, including:

- a significant improvement in performance in achieving cost savings;
- a 47% reduction in annual agency spend so that it is below the agency ceiling which has been set by NHS Improvement for 2018/19; and
- achievement of the conditions set by NHS Improvement for the Trust to receive its share of the Provider Sustainability Fund, including meeting the Trust's target for A&E waiting times in 2018/19.

What audit procedures we performed

In considering whether it is appropriate for the financial statements to be prepared on a going concern basis we:

- obtained the Trust's financial plan for 2018/19, and understood the uncertainties within the plan and the risks in delivering the plan; and
- considered the Trust's cashflow forecasts for the period to 31 May 2018, including the Trust's assessment of the downside risks.

The Trust's cash flow forecast for 2018/19 shows a downside position where the Trust would require external cash funding in order to be able to meet its obligations as they fall due. The nature of any financial support is not yet confirmed, and so it is not clear at present how the continuity of the Trust's services would be achieved, should cash support be required. As a result there is a material uncertainty, which may cast significant doubt over the Trust's ability to continue as a going concern.

Our audit approach

Context

The Trust is the main provider of acute emergency and scheduled healthcare in Dudley, operating from three sites, the main site at 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 £354 million, which is funded predominantly by local Clinical Commissioning Groups and NHS England.

Our audit for the year ended 31 March 2018 was planned and executed having regard to the fact that the Group and Trust's operations were largely unchanged in nature from the previous year. Whilst the Group and Trust's overall financial stability were impacted by a deterioration in financial performance, our approach to the audit in terms of scoping and areas of focus was largely unchanged.

Overview

Materiality

- Overall materiality: £6,962,000 which represents 2% of total revenue.

Audit scope

- 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.

Key audit matters

Our key audit matters were:

- Risk of fraud in revenue and expenditure recognition;
- Valuation of Property, Plant and Equipment; and
- Going concern.

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to going concern, described in the *Material uncertainty relating to going concern* section above, we determined

the matters described below to be the key audit matters to be communicated in our report. This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the Key audit matter
Key audit matter 1 – Group and Trust *Risk of fraud in revenue and expenditure recognition* *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.* 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, the 'Sustainability and Transformation Fund' money, and the timing of the intra-NHS balance agreement process, led us to focus on it. We considered revenue recognition to be a risk, in particular revenue streams from the Clinical Commissioning Groups ("CCGs") and NHS England, which together comprise £317 million of the Trust's £354 million of income. The service level agreements with the CCGs are renegotiated annually and are paid in standard monthly instalments. A year-end adjustment is then negotiated with the CCGs to reflect actual levels of activity where contracts follow Payment by Results. The value and recoverability of the adjustment is subject to management judgement. Due to the incentive for the Trust to achieve its financial Control Total, in order to receive Sustainability and Transformation Fund money, we considered the risk to be focused on the existence of income from material CCG contracts, in particular the year-end adjustments. We also considered expenditure recognition to be a risk. Given the incentive described above we focussed on the completeness of expenditure in the Statement of Comprehensive Income and of liabilities recorded in the Statement of Financial Position. We focused our work on the elements of income and expenditure that are most susceptible to manipulation: • non-standard journal transactions; • income recognition for material contracts with CCGs, specifically the year adjustment; and • unrecorded liabilities.	*Journals* We tested a sample of journal transactions that had been recognised in both income and expenditure, focussing in particular on those that had been transacted 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 for the correct value. *Revenue* 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. 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. No material issues were identified from the work performed. *Expenditure* We performed testing to identify whether there were any unrecorded liabilities. We: • tested a sample of large payments made and invoices received after 31 March 2018 to supporting documentation, to check that, where they related to the 2017/18 financial year, an accrual was recognised appropriately; and • compared accrued expenses recognised as at 31 March 2018 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.

Key audit matter 2 – Group and Trust

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 and the valuation of land and buildings requires significant levels of judgement and technical expertise in choosing appropriate assumptions. Therefore our work has focused on whether the methodology, assumptions and underlying data used to determine the value of Property, Plant and Equipment were appropriate and correctly applied. PPE amounts to £236.373 million of which £220.551 million is land and buildings.

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 valuation carried out in 2017/18 and was undertaken by the Trust's valuation experts. Changes included updating the value of assets using industry-standard indices and continuation of revaluing PFI assets net of VAT. This resulted in an increase in the fair value of Trust buildings of £22.543 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.

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:

	Group financial statements	Trust financial statements
Overall materiality	£6,962,000 (2017: £6,518,500)	£6,614,100 (2017: £6,192,575)
How we determined it	2% of revenue (2017: 2% of revenue)	2% of revenue (2017: 2% of revenue)
Rationale for benchmark applied	Consistent with last year, we have applied this benchmark, a generally accepted auditing practice, in the absence of indicators that an alternative benchmark would be appropriate.	Consistent with last year, we have applied this benchmark, a generally accepted auditing practice, in the absence of indicators that an alternative benchmark would be appropriate.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was £40,925 and £6,614,100. The Trust is the only significant component of the Group. Certain components were audited to a local statutory audit materiality that was less than our overall group materiality.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £250,000 (Group audit) (2017: £250,000) and £250,000 (Trust audit) (2017: £250,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Performance Report and the Accountability Report, we also considered whether the disclosures required by the NHS Foundation Trust Annual Reporting Manual 2017/18 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) and the Code of Audit Practice require us also to report certain opinions and matters as described below.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Accountability Report set out in the Statement of accounting officer's responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the Department of Health and Social Care Group Accounting Manual 2017/18, and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Trust's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

The Trust is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism.

We are required under Schedule 10(1) of the National Health Service 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 of Audit Practice, 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 our on risk assessment, we undertook such work as we considered necessary.

We will prepare an annual audit letter which will cover the Trust's key risks in securing economy, efficiency and effectiveness in its use of resources, how these have been discharged by the Trust, and our actions to review these. The Trust is responsible for publishing this annual audit letter, and ensuring that it is available to the public.

Use of this report

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.

Other required reporting

Opinions on other matters prescribed by the Code of Audit Practice

Performance Report and Accountability Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Performance Report and Accountability Report for the year ended 31 March 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Trust and its environment obtained in the course of the audit, we did not identify any material misstatements in the Performance Report or Accountability Report.

In addition, the parts of the Remuneration and Staff reports to be audited have been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2017/18.

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

Under the Code of Audit Practice we are required to report, by exception, if we conclude we are not satisfied that the Trust has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2018.

During the year ended 31 March 2018 the Care Quality Commission (CQC) carried out an inspection at the Trust and issued its report on 18 April 2018. The Trust's overall rating is 'Requires Improvement' but Urgent and Emergency Services was rated as 'Inadequate' in the following areas: 'are services safe?' and 'are services well-led?'.

We have concluded that, except for the matter above, the Trust has put in place proper arrangements for securing economy, efficiency and effectiveness in the use of its resources for the year ended 31 March 2018.

Other matters on which we report by exception

We are required to report to you if:

- The statement given by the directors in the Performance Report, 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 Trust's performance, business model and strategy is materially inconsistent with our knowledge of the Trust acquired in the course of performing our audit.

- The section of the Annual report in the Accountability 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.

- The Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2017/18 or is misleading or inconsistent with our knowledge acquired in the course of performing 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 referred a matter to Monitor under Schedule 10 (6) of the National Health Service 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.

- We have issued a report in the public interest under Schedule 10 (3) of the National Health Service Act 2006.

- We have not received all the information and explanations we require for our audit.

We have no exceptions to report arising from this responsibility.

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 of Audit Practice.

[signature]

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

25 May 2018

Section 3: Annual Accounts

Foreword to the Accounts

These accounts for the period 1st April 2017 to 31st March 2018 have been prepared by The Dudley Group NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 to the NHS Act 2006 and are presented to Parliament pursuant to Schedule 7, paragraph 25 (4) (a) of the National Health Service Act 2006.

Signed   Date   22nd May 2018

Diane Wake
Chief Executive

Consolidated and Foundation Trust Statements of Comprehensive Income
For the Year Ended 31 March 2018

	Note	Group Year Ended 31 March 2018 £'000	Group Year Ended 31 March 2017 £'000	Foundation Trust Year Ended 31 March 2018 £'000	Foundation Trust Year Ended 31 March 2017 £'000
Operating Income from patient care activities	3	323,187	315,280	323,187	315,280
Other Operating Income	4	29,652	36,862	29,554	36,796
Total Operating Income from continuing operations		352,839	352,142	352,741	352,076
Operating Expenses of continuing operations	5	(346,316)	(326,788)	(345,972)	(326,634)
Operating Surplus / (Deficit)		6,523	25,354	6,769	25,442
Finance Costs					
Finance income	9	117	122	66	72
Finance expense - financial liabilities	10	(11,039)	(11,089)	(11,039)	(11,089)
PDC Dividends payable		(3,129)	(2,976)	(3,129)	(2,976)
Net Finance Costs		(14,051)	(13,943)	(14,102)	(13,993)
Gain/(loss) of disposal of assets	13	56	0	56	0
Corporation tax expense	11	(37)	(34)	0	0
Surplus/(Deficit) for the year from continuing operations		(7,509)	11,377	(7,277)	11,449
SURPLUS/(DEFICIT) FOR THE YEAR		(7,509)	11,377	(7,277)	11,449
Other comprehensive income					
Will not be reclassified to income and expenditure:					
Impairments	13	(505)	(23,294)	(505)	(23,294)
Revaluations	13	22,543	0	22,543	0
May be reclassified to income and expenditure where certain conditions are met:					
Fair Value gains/(losses) on Available-for-sale financial instruments	14	5	175	0	0
TOTAL COMPREHENSIVE INCOME / (EXPENSE) FOR THE YEAR		14,534	(11,742)	14,761	(11,845)

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

There are no Non-Controlling Interests in the Group, therefore the deficit for the year of £7,509,000 (2016/17 surplus of £11,377,000) and the Total Comprehensive Income of £14,534,000 (2016/17 Total Comprehensive Expense of £11,742,000) is wholly attributable to the Trust.

	Note	Group		Foundation Trust	
		31 March 2018	31 March 2017	31 March 2018	31 March 2017
Non-current assets		£'000	£'000	£'000	£'000
Intangible assets	12	3,292	2,677	3,292	2,677
Property, plant and equipment	13	236,373	208,482	236,373	208,482
Other Investments	14	1,316	1,311	0	0
Trade and other receivables	17	12,026	10,338	12,026	10,338
Total non-current assets		253,007	222,808	251,691	221,497
Current assets					
Inventories	16	2,991	2,897	2,847	2,730
Trade and other receivables	17	12,926	21,802	12,754	21,982
Other financial assets	15	500	1,028	0	0
Cash and cash equivalents	24	14,113	18,026	13,496	17,367
Total current assets		30,530	43,753	29,097	42,079
Current liabilities					
Trade and other payables	18	(23,567)	(18,144)	(23,345)	(17,913)
Borrowings	23	(6,255)	(5,156)	(6,255)	(5,156)
Provisions	21	(147)	(140)	(147)	(140)
Other financial liabilities	19	(1,639)	(1,788)	(1,639)	(1,788)
Total current liabilities		(31,608)	(25,228)	(31,386)	(24,997)
Total assets less current liabilities		251,929	241,333	249,402	238,579
Non-current liabilities					
Trade and other payables	18	(40)	(80)	(40)	(80)
Borrowings	23	(122,236)	(127,432)	(122,236)	(127,432)
Total non-current liabilities		(122,276)	(127,512)	(122,276)	(127,512)
Total assets employed		129,653	113,821	127,126	111,067
Financed by					
Taxpayers' equity					
Public Dividend Capital		25,951	24,653	25,951	24,653
Revaluation reserve		81,286	59,249	81,286	59,249
Income and expenditure reserve		20,411	27,531	19,889	27,165
Others' equity					
Charitable Fund reserves		2,005	2,388	0	0
Total Taxpayers' and Others equity		129,653	113,821	127,126	111,067

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

Signed ………………………………….

Diane Wake
Chief Executive

Date: 22nd May 2018

Consolidated and Foundation Trust Statements of Changes in Taxpayers' and Others' Equity
for the Year Ended 31 March 2018

	Group					Foundation Trust			
	..……….. Taxpayers' Equity …….…...			**	Total	..……….. 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 2016	24,653	82,547	15,943	2,420	125,563	24,653	82,547	15,712	122,912
Prior period adjustment	0	0	0	0	0	0	0	0	0
Taxpayers' and Others' Equity at 1 April 2016 - restated	24,653	82,547	15,943	2,420	125,563	24,653	82,547	15,712	122,912
Surplus / (Deficit) for the year	0	0	11,551	(174)	11,377	0	0	11,449	11,449
Transfers between reserves	0	(4)	4	0	0	0	(4)	4	0
Impairments	0	(23,294)	0	0	(23,294)	0	(23,294)	0	(23,294)
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	175	175	0	0	0	0
Public Dividend Capital Received	0	0	0	0	0	0	0	0	0
Other reserve movements	0	0	0	0	0	0	0	0	0
Consolidation adjustment	0	0	33	(33)	0	0	0	0	0
Taxpayers' and Others' Equity at 31 March 2017	24,653	59,249	27,531	2,388	113,821	24,653	59,249	27,165	111,067
Taxpayers' and Others' Equity at 1 April 2017	24,653	59,249	27,531	2,388	113,821	24,653	59,249	27,165	111,067
Surplus / (Deficit) for the year	0	0	(7,121)	(388)	(7,509)	0	0	(7,277)	(7,277)
Transfers between reserves	0	0	0	0	0	0	0		0
Impairments	0	(505)	0	0	(505)	0	(505)	0	(505)
Revaluations - property, plant and equipment	0	22,543	0	0	22,543	0	22,543	0	22543
Fair Value gains/(losses) on available -for-sale financial investments	0	0	0	5	5	0	0	0	0
Public Dividend Capital Received	1,298	0	0	0	1,298	1,298	0	0	1298
Other reserve movements	0	(1)	1	0	0	0	(1)	1	0
Consolidation adjustment	0	0	0	0	0	0	0	0	0
Taxpayers' and Others' Equity at 31 March 2018	25,951	81,286	20,411	2,005	129,653	25,951	81,286	19,889	127,126

** Charitable Fund Reserves comprise Unrestricted Funds £1,979,000 (2016/17 £2,371,000) of which £1,839,000 (2016/17 £2,157,000) have been designated for specific purposes, Restricted Funds £26,000 (2016/17 £17,000) and Endowment Funds £nil (2016/17 £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 2018

	Group		Foundation Trust	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Cash flows from operating activities	£'000	£'000	£'000	£'000
Operating surplus/(deficit) from continuing operations	6,523	25,354	6,769	25,442
Operating surplus/(deficit)	**6,523**	**25,354**	**6,769**	**25,442**
Non-cash income and expense:				
Depreciation and amortisation	9,251	8,856	9,251	8,856
Impairments and Reversals	1,428	0	1,428	0
Income recognised in respect of capital donations (cash and non-cash)	(187)	(77)	(187)	(77)
(Increase)/Decrease in trade and other receivables	7,191	(13,681)	7,545	(13,734)
Increase/(Decrease) in other assets	0	0	0	0
(Increase)/Decrease in inventories	(94)	131	(117)	96
Increase/(Decrease) in trade and other payables	3,900	(1,842)	3,916	(1,988)
Increase/(Decrease) in other liabilities	(149)	(707)	(149)	(707)
Increase/(Decrease) in provisions	7	(139)	7	(139)
Tax (paid) / received	(34)	0	0	0
Movements in charitable fund working capital	533	223	0	0
NET CASH GENERATED FROM/(USED IN) OPERATIONS	28,369	18,118	28,463	17,749
Cash flows from investing activities				
Interest received	63	73	60	71
Purchase of financial assets	0	(212,000)	0	0
Sales of financial assets	0	212,000	0	0
Purchase of intangible assets	(1,470)	(1,720)	(1,470)	(1,720)
Sales of intangible assets	0	0	0	0
Purchase of Property, Plant and Equipment	(13,347)	(2,988)	(13,347)	(2,988)
Sales of Property, Plant and Equipment	63	0	63	0
NHS Charitable funds - net cash flows from investing activities	49	48	0	0
Net cash generated from/(used in) investing activities	(14,642)	(4,587)	(14,694)	(4,637)
Cash flows from financing activities				
Public dividend capital received	1,298	0	1,298	0
Capital element of PFI Obligations	(5,199)	(5,343)	(5,199)	(5,343)
Interest paid	0	(7)	0	(7)
Interest element of PFI Obligations	(11,039)	(11,082)	(11,039)	(11,082)
PDC Dividend paid	(2,700)	(2,696)	(2,700)	(2,696)
Net cash generated from/(used in) financing activities	(17,640)	(19,128)	(17,640)	(19,128)
Increase/(decrease) in cash and cash equivalents	(3,913)	(5,597)	(3,871)	(6,016)
Cash and Cash equivalents at 1 April	18,026	23,623	17,367	23,383
Cash and Cash equivalents at 31 March	**14,113**	**18,026**	**13,496**	**17,367**

1. Accounting Policies and Other Information

NHS Improvement, in exercising the statutory functions conferred on Monitor, has directed that the financial statements of NHS foundation Trusts shall meet the accounting requirements of the Department of Health Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the DH Group Accounting Manual 2017-18, issued by the Department of Health. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the DH Group Accounting Manual permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the NHS Foundation Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

Going Concern

The Foundation Trust's annual report and accounts have been prepared on a going concern basis. Non-trading entities in the public sector are assumed to be going concerns where the continued provision of a service in the future is anticipated, as evidenced by inclusion of financial provision for that service in published documents.

The Trust experienced a difficult 2017/18 financial year which resulted in a deficit position and a reduction in its cash balances. To mitigate the risks arising from the financial position, and to give itself the best chance of financial turnaround, the Trust Board has established a Financial Improvement Programme for 2018/19 with additional financial controls, targets and protocols. If achieved, the Trust will receive an additional £9m from the Provider Sustainability Fund. The Board is aware of the risk that if the financial plan is not achieved this indicates the existence of a material uncertainty that may cast significant doubt about the Trust's ability to continue as a going concern. This would be mitigated by the requirement of the Trust to borrow funds at some point in the next 12 months. The Board continues to monitor its monthly and future cash position and has governance arrangements in place to manage cash requirements throughout the year.

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 2018. 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.

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 is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2018, is based on valuation data as 31 March 2017, updated to 31 March 2018 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 report of the scheme actuary, which forms part of the annual NHS Pension Scheme 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 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 employee and employer representatives as deemed appropriate.

The next actuarial valuation is to be carried out as at 31 March 2016 and is currently being prepared. The direction assumptions are published by HM Treasury which are used to complete the valuation calculations, from which the final valuation report can be signed off by the scheme actuary. This will set the employer contribution rate payable from April 2019 and will consider the cost of the Scheme relative to the employer cost cap. There are provisions in the Public Service Pension Act 2013 to adjust member benefits or contribution rates if the cost of the Scheme changes by more than 2% of pay. Subject to this 'employer cost cap' assessment, any required revisions to member benefits or contribution rates will be determined by the Secretary of State for Health after consultation with the relevant stakeholders.

c) Scheme provisions

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

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

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

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

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

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

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

1.4 Expenditure on Other Goods and Services

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

1.5 Property, Plant and Equipment

Recognition

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

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

Measurement

Valuation

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

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

The fair value of land and buildings are determined by valuations carried out by professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual. The valuations are carried out primarily on the basis of modern equivalent cost for specialised operational property and existing use value for non-specialised operational property. For the Trust's PFI buildings the valuation does not include any VAT liability as VAT is recoverable on the unitary payments made by the Trust and any re-provision of the buildings would be carried out via a further PFI agreement. 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:

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

Freehold land is considered to have an infinite life and is not depreciated.
Property, Plant and Equipment which has been reclassified as 'Held for Sale' ceases to be depreciated upon reclassification.
Assets in the course of construction and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the Trust, respectively.

Revaluation gains and losses

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

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

Impairments

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

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

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

De-recognition
Assets intended for disposal are reclassified as 'Held for Sale' once all of the following criteria are met:
- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- the sale must be highly probable i.e.:
    o   management are committed to a plan to sell the asset;
    o   an active programme has begun to find a buyer and complete the sale;
    o   the asset is being actively marketed at a reasonable price;
    o   the sale is expected to be completed within 12 months of the date of classification as 'Held for Sale'; and
    o   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.

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.

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'.

1.6 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.

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

1.7 Government Grants

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

1.8 Inventories

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

1.9 Cash and Cash Equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours.

1.10 Financial Instruments and Financial Liabilities

Recognition

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

De-recognition

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

Classification and Measurement

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

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

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

movements in the fair value are recognised as gains or losses in the Statement of Comprehensive Income.

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

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

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

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

Impairment of financial assets
At the Statement of Financial Position date, the Trust assesses whether any financial assets, other than those held at 'fair value through income and expenditure' are impaired. Financial assets are impaired and impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset. For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the Statement of Comprehensive Income and the carrying amount of the asset is reduced through the use of a bad debt provision.

1.11 Leases

Finance leases
Where substantially all risks and rewards of ownership of a leased asset are borne by the NHS Foundation Trust, the asset is recorded as Property, Plant and Equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability. The asset and liability are recognised at the inception of the lease, and are de-recognised

when the liability is discharged, cancelled or expires. The annual rental is split between the repayment of the liability and a finance cost. The annual finance cost is calculated by applying the implicit interest rate to the outstanding liability and is charged to Finance Costs in the Statement of Comprehensive Income.

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

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

1.12 Provisions
The NHS Foundation Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's long term discount rate of -0.8 per cent (2016/17 0.8 per cent) in real terms, except for early retirement provisions and injury benefit provisions which both use the HM Treasury's pension discount rate of 0.24 per cent (2016/17 0.24 per cent) in real terms.

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

1.17 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 Accounting Standards Board (IASB) has issued a number of standards which will impact on the Trusts accounts. However, these have yet to be applied to the Department of Health Group Accounting Manual. Those standards are:

IFRS 9 Financial Instruments
Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the FReM, early adoption is not therefore permitted. Changes to the standard will amend the methodology and amount of bad debt provision recognised by the Trust when the standard is adopted within the NHS. The standard requires that Trusts make an impairment assessment of all debt at the point that it is due for payment based on evidence available for the likely payment of debt by debtors of that nature. This may result in a larger bad debt provision as the Trust recognises a provision for current debt raised in addition to the analysis currently carried out on aged debt.

IFRS 14 Regulatory Deferral Accounts
Not yet EU-endorsed. The European Financial Reporting Advisory Group recommended in October 2015 that the standard should not be endorsed as it is unlikely to be adopted by many EU countries. It applies to first time adopters of IFRS after 1 January 2016. Therefore not applicable to DHSC group bodies.

IFRS 15 Revenue from Contracts with Customers
Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the FReM, early adoption is not therefore permitted. The standard deals with the valuation and timing of income recognition. The new standard requires that income is recognised based on the satisfaction of promises within the contract for supply or service. This is expected to have a minimal impact to the Trust, however may alter the timing of recognition for some income types such as private patient income for ongoing treatments.

IFRS 16 Leases
Application required for accounting periods beginning on or after 1 January 2019, but not yet adopted by the FReM, early adoption is not therefore permitted. The new leasing standard will see almost all of the Trust leases moving onto the balance sheet. The standard requires that the right to use an asset is put onto the Trust's balance sheet along with the obligation to repay the lessor over the term of the lease (much the same as the current accounting for finance leases). The only exception to this would be leases where the term is less than 12 months. The Trust has begun work to establish the scope and value of contracts containing a lease which would be captured within this standard.

IFRS 17 Insurance Contracts
Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM, early adoption is not therefore permitted. This is not expected to have a material impact on the Trust's Accounts.

IFRS 22
Application required for accounting periods beginning on or after 1 January 2018. This is not expected to have a material impact on the Trust's Accounts.

IFRS 23 Uncertainty over Income Tax Treatments
Application required for accounting periods beginning or after 1 January 2019. This is not expected to have a material impact on the Trust's Accounts.

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 2017/18.

1.23 Sustainability and Transformation Fund

The Trust has received £4.728m of the Sustainability and Transformation Fund (STF) in 2017-18. £2.487 M of this amount related to a core element of the fund which the Trust received for achieving both its financial and performance targets in quarter 1 and quarter 2 of the year. In addition the Trust received £2.241m incentive general distribution STF based on the balance of unearned STF after the core, incentive and bonus scheme payments, to all providers that signed up to a control total in 2017/18. This was on a sliding scale based on distance from the control total weighted by initial STF allocations set by NHSI.

The £4.728m is recognised in other operating income within the statement of comprehensive income. The Trust was paid £2.487 during 2017/18 with the remaining £2.241m stated as accrued income within trade and other receivables on the statement of financial position.

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 DH GAM 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 four significant operating segments subject to the external reporting requirements of IFRS 8. Applying the aggregation criteria to the Trust's four 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 four significant operating segments of the Trust are all active in the same

business – the provision of healthcare, and all operate within the same economic environment – the United Kingdom. Given that the purpose of disclosing segmental information is to enable users of the financial statements to evaluate the nature and financial effects of business activities and economic environments, reporting a single segment of "Healthcare" would be consistent with the core principle of IFRS 8, as it would show the singular nature of both the business activity and the economic environment of the Trust.

Income from activities (medical treatment of patients) is analysed by customer type in note 3 to the accounts on page 17. Other operating income is analysed in note 4 to the accounts on page 18 and materially consists of revenues from healthcare, research and development, medical education, and the provision of services to other NHS bodies. Total income by individual customers within the whole of HM Government and considered material, is disclosed in the related parties transactions note 27 to the accounts on page 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 these group financial statements. 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. The consolidation is for reporting purposes only and does not affect the charities' legal and regulatory independence and day to day operations. Some of the charity's expenditure is inter segment trading with the Trust which is eliminated upon the consolidation of these group financial statements. The quarterly performance report to the Chief Operating Decision Maker reports financial summary information in the format of the table on page 16.

Year ended 31 March 2018	Healthcare Services £000	Dudley Clinical Services Limited £000	Dudley Group NHS Charity £000	Inter Group Eliminations £000	Total £000
Total segment revenue	352,741	5,407	409	(5,718)	352,839
Total segment expenditure	(345,972)	(5,216)	(846)	5,718	(346,316)
Operating Surplus/(Deficit)	6,769	191	(437)	0	6,523
Net Financing	(10,973)	2	49	0	(10,922)
PDC Dividends Payable	(3,129)	0	0	0	(3,129)
Taxation	0	(37)	0	0	(37)
Retained surplus/(deficit) - before non-recurring items	(7,333)	156	(388)	0	(7,565)
Non-recurring items	56	0	0	0	56
Retained surplus/(deficit)	(7,277)	156	(388)	0	(7,509)
Reportable Segment assets	280,788	791	2,046	0	283,625
Eliminations	0	0	0	(88)	(88)
Total assets	280,788	791	2,046	(88)	283,537
Reportable Segment liabilities	(153,662)	(269)	(41)	0	(153,972)
Eliminations	0	0	0	88	88
Total liabilities	(153,662)	(269)	(41)	88	(153,884)
Net assets/liabilities	127,126	522	2,005	0	129,653

Year ended 31 March 2017	Healthcare Services £000	Dudley Clinical Services Limited £000	Dudley Group NHS Charity £000	Inter Group Eliminations £000	Total £000
Total segment revenue	352,076	5,414	370	(5,718)	352,142
Total segment expenditure	(326,634)	(5,247)	(625)	5,718	(326,788)
Operating Surplus/(Deficit)	25,442	167	(255)	0	25,354
Net Financing	(11,017)	2	48	0	(10,967)
PDC Dividends Payable	(2,976)	0	0	0	(2,976)
Taxation	0	(34)	0	0	(34)
Retained surplus/(deficit) - before non-recurring items	11,449	135	(207)	0	11,377
Non-recurring items	0	0	0	0	0
Retained surplus/(deficit)	11,449	135	(207)	0	11,377
Reportable Segment assets	263,576	931	2,426	0	266,933
Eliminations	0	0	0	(372)	(372)
Total assets	263,576	931	2,426	(372)	266,561
Reportable Segment liabilities	(152,509)	(565)	(38)	0	(153,112)
Eliminations	0	0	0	372	372
Total liabilities	(152,509)	(565)	(38)	372	(152,740)
Net assets/liabilities	111,067	366	2,388	0	113,821

3 Revenue from Activities

3.1 By Commissioner

3.1 By Commissioner	Year Ended 31 March 2018	* Restated Year Ended 31 March 2017
	£'000	£'000
NHS England	43,821	42,850
Clinical Commissioning Groups	272,775	265,303
NHS Foundation Trusts	17	6
NHS Trusts	3,448	2,960
Local Authorities	1,885	2,434
NHS Other	212	146
Non NHS: Private patients	35	61
Non-NHS: Overseas patients (chargeable to patient)	196	211
NHS injury scheme (was RTA)	686	1,237
Non NHS: Other	112	72
Total income from activities	**323,187**	**315,280**

* Restated to show NHS England and Clinical Commissioning Groups separately.

3.2 By Nature

3.2 By Nature	Year Ended 31 March 2018	** Restated Year Ended 31 March 2017
	£'000	£'000
Acute Services		
Elective income	48,443	46,744
Non-Elective income	91,141	104,718
First Outpatient income	25,948	19,611
Follow-up outpatient income	23,679	26,541
A&E income	13,634	12,526
High cost drugs income from Commissioners	28,077	24,202
Other NHS Clinical Income	64,349	51,205
Community Services		
Income from CCG's and NHS England	19,307	21,361
Income from other sources (e.g. local authorities)	642	721
Income at Tariff	**315,220**	**307,629**
Private Patients	35	61
Other clinical income	7,932	7,590
Total income from activities	**323,187**	**315,280**

** Restated to show further analysis.

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 2018	* Restated Year Ended 31 March 2017
	£'000	£'000
Income from Commissioner Requested Services	295,271	285,547
Income from Non Commissioner Requested Services	19,949	22,082
Income from Activities	315,220	307,629
Other Clinical Income	7,967	7,651
Total Income	323,187	315,280

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

* Restated following the change of analysis in note 3.2

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 2018	Year Ended 31 March 2017
	£'000	£'000
Income recognised this year	196	211
Cash payments received in-year	44	47
Amounts added to provision for impairment of receivables	190	205
Amounts written off in-year	38	54

4 Other Operating Income

	Year ended 31 March 2018	Year ended 31 March 2017
	£'000	£'000
Research and development	1,341	1,301
Education and training	11,347	11,161
Education and training - apprenticeship fund	27	0
Charitable asset donations	187	77
Charitable contributions to expenditure	0	0
Non-patient care services to other bodies	5,405	5,534
Sustainability and Transformation Fund Income	4,728	11,945
Rental revenue from Operating Leases - contingent rent	306	292
Income in respect of Staff Costs	2,687	2,897
NHS Charitable Funds incoming resources excluding investment income	409	370
Other	3,215	3,285
Total other operating income	**29,652**	**36,862**

Other income is derived from Staff Recharges £2,687,000 (2016/17 £2,897,000); Pharmacy Drugs £755,000 (2016/17 £965,000); and numerous other small amounts.

5 Operating Expenditure

5.1 Operating Expenses

	Year ended 31 March 2018	*Restated Year ended 31 March 2017
	£'000	£'000
Purchase of healthcare from NHS and DHSC bodies	2,606	2,113
Purchase of healthcare from non-NHS and non-DHSC bodies	1,519	1,310
Staff and executive directors costs	213,300	201,732
Non-executive directors	139	128
Supplies and services - clinical (excluding drug costs)	27,716	27,792
Supplies and services - general	1,438	1,155
Drug costs (inventory consumed and purchase of non-inventory drugs)	32,699	31,792
Drugs Inventories written down	0	0
Consultancy costs	1,011	476
Establishment	1,932	1,617
Premises - Business Rates	1,407	1,442
Premises - Other	3,773	1,953
Transport - Business Travel	661	671
Transport - Other	102	153
Depreciation on property, plant and equipment	8,396	8,289
Amortisation on intangible assets	855	567
Impairments net of (reversals)	1,428	0
Increase / (decrease) in impairment of receivables	140	(327)
Audit fees payable to the external auditor		
Audit services	69	59
Other Auditor Remuneration	4	13
NHS Charitable Fund Accounts	6	6
Internal audit - non staff costs	148	134
Clinical negligence	14,996	13,805
Legal Fees	155	(14)
Insurance	165	22
Research and development - staff costs	1,366	1,352
Research and development - non staff	82	0
Education and training - staff costs	0	0
Education and training - non staff	517	674
Education and training - apprenticeship fund	27	0
Operating lease expenditure	2,672	2,475
Redundancy	0	0
Charges to operating expenditure for on-SOFP IFRIC 12 schemes e.g. PFI	22,552	23,567
Car Parking and security	0	114
Hospitality	0	39
Other losses and special payments	16	3
Other NHS Charitable funds resources expended	796	542
Other	3,623	3,134
TOTAL	**346,316**	**326,788**

Other expenditure includes numerous small amounts.

* Restated to reflect amended analysis

5.2 The Late Payment of Commercial Debts (interest) Act 1998

During the year 2017/18 (2016/17 £ nil) the Trust was not charged interest for the late payment of commercial debts.

6 Operating Leases

6.1 Payments and future commitments

	Year ended 31 March 2018 £'000	Year ended 31 March 2017 £'000
Minimum lease payments	2,672	2,475
	2,672	2,475
Total future minimum lease payments Payable:		
Not more than one year	2,607	2,471
Between one and five years	242	35
After 5 years	0	0
Total	2,849	2,506

6.2 Income and future receipts

	Year ended 31 March 2018 £'000	Year ended 31 March 2017 £'000
Contingent rent	306	292
	306	292
Total future minimum lease income Receivable:		
Not more than one year	297	0
Between one and five years	34	0
After 5 years	46	0
Total	377	0

7 Directors' Remuneration and other benefits

	Year ended 31 March 2018 £'000	Year ended 31 March 2017 £'000
Salary	973	858
Taxable Benefits	3	4
Performance Related Bonuses	0	0
Employer contributions to a pension scheme	98	69
	1,074	931

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

8 Employee Expenses and Numbers

8.1 Employee Benefits

	Year Ended 31 March 2018			Year Ended 31 March 2017		
	Total £'000	Permanent £'000	Other £'000	Total £'000	Permanent £'000	Other £'000
Salaries and wages	167,506	165,311	2,195	156,523	154,526	1,997
Social security costs	15,855	15,855	0	14,689	14,689	0
Apprenticeship Levy	812	812	0	0	0	0
Employer's contributions to NHS Pensions	18,721	18,721	0	17,808	17,808	0
Pension Cost - other	20	20	0	15	15	0
Termination Benefits	0	0	0	0	0	0
Temporary Staff (including agency)	11,708	0	11,708	14,088	0	14,088
NHS Charitable funds staff	44	44	0	44	44	0
Total	214,666	200,763	13,903	203,167	187,082	16,085

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 2017/18 (2016/17 £ nil).

8.4 Retirements due to Ill-health
During the year 2017/18 there were 0 (in 2016/17 there were 0) early retirements from the Trust on the grounds of ill-health.

The estimated additional pension liabilities of these ill-health retirements will be £nil (2016/17 £nil).

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 2017	For the year 2016
Total Days Lost	40,906	38,202
Total Staff Years	4,273	4,118
Average Working Days Lost Per WTE	10	9

This 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 2018 £'000	Year ended 31 March 2017 £'000
Interest on bank accounts	68	74
NHS Charitable funds: investment income	49	48
	117	122

10 Finance Expense - Financial Liabilities

	Year ended 31 March 2018	Year ended 31 March 2017
Interest Expense:	£'000	£'000
Other	0	7
Finance Costs in PFI obligations		
Main Finance Costs	5,174	5,365
Contingent Finance Costs	5,865	5,717
	11,039	11,089

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 £37,000 (2016/17 £34,000). The activities of the Trust and the Charity do not incur corporation tax.

UK Corporation Tax Expense	Year ended 31 March 2018	Year ended 31 March 2017
Current tax expense	£'000	£'000
Current year	37	34
Adjustments in respect of prior years	0	0
Total income tax expense in Statement of Comprehensive Income	37	34

Reconciliation of effective tax rate	Year ended 31 March 2018 £'000	Year ended 31 March 2017 £'000
Effective tax charge percentage	19.00%	20.00%
Tax if effective tax rate charged on surpluses before tax	(1,430)	2,282
Effect of:		
Surpluses not subject to tax	1,467	(2,248)
Total income tax charge for the year	37	34

The subsidiary company falls under the 'small profits' rate for corporation tax and tax rates are not planned to change from 19% for future financial years.

12 Intangible Assets

2017/18	Group Computer Software	Asset Under Construction	Total	2016/17 Restated *	Group Computer Software	Asset Under Construction	Total
	£'000	£'000	£'000		£'000	£'000	£'000
Gross Cost as at 1 April 2017	6,646	78	6,724	Gross Cost as at 1 April 2016	4,917	0	4,917
Prior period Adjustments	0	0	0	Prior period Adjustments	0	0	0
Gross Cost as at 1 April 2017 restated	6,646	78	6,724	Gross Cost as at 1 April 2016 restated	4,917	0	4,917
Additions Purchased	1,470	0	1,470	Additions Purchased	1,720	78	1,798
Additions Donated	0	0	0	Additions Donated	25	0	25
Reclassification	78	(78)	0	Reclassification	0	0	0
Impairments	0	0	0	Impairments	0	0	0
Disposals	0	0	0	Disposals	(16)	0	(16)
Gross Cost as at 31 March 2018	8,194	0	8,194	Gross Cost as at 31 March 2017	6,646	78	6,724
Amortisation as at 1 April 2017	4,047	0	4,047	Amortisation as at 1 April 2016	3,496	0	3,496
Prior period Adjustments	0	0	0	Prior period Adjustments	0	0	0
Amortisation as at 1 April 2017 restated	4,047	0	4,047	Amortisation as at 1 April 2016 restated	3,496	0	3,496
Provided during the Year	855	0	855	Provided during the Year	567	0	567
Disposals	0	0	0	Disposals	(16)	0	(16)
Amortisation as at 31 March 2018	4,902	0	4,902	Amortisation as at 31 March 2017	4,047	0	4,047
Net Book Value				Net Book Value			
Purchased at 1 April 2017	2,560	78	2,638	Purchased at 1 April 2016	1,393	0	1,393
Donated at 1 April 2017	39	0	39	Donated at 1 April 2016	28	0	28
Total at 1 April 2017	2,599	78	2,677	Total at 1 April 2016	1,421	0	1,421
Net Book Value				Net Book Value			
Purchased at 31 March 2018	3,270	0	3,270	Purchased at 31 March 2017	2,560	78	2,638
Donated at 31 March 2018	22	0	22	Donated at 31 March 2017	39	0	39
Total at 31 March 2018	3,292	0	3,292	Total at 31 March 2017	2,599	78	2,677

* Restated 2016/17 to show the items reclassified as intangible assets under construction.

A separate schedule for the Trust intangible assets has not been produced as the NHS Charity intangible assets represent just £nil (31 March 2017 £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   2017/18

	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 2017	241,308	25,150	173,028	0	985	32,650	118	8,671	706
Additions - purchased	14,394	0	6,618	0	3,700	1,808	35	2,005	228
Additions - leased	1,101	0	0	0	0	1,101	0	0	0
Additions - donated	187	0	0	0	0	137	0	50	0
Impairments charged to operating expenses	(1,428)	0	(1,428)	0	0	0	0	0	0
Impairments charged to the revaluation reserve	(555)	0	(555)	0	0	0	0	0	0
Reclassifications	0	0	5	0	(110)	0	0	103	2
Revaluations	17,733	0	17,733	0	0	0	0	0	0
Disposals	(1,025)	0	0	0	0	(989)	(8)	(7)	(21)
Cost at 31 March 2018	271,715	25,150	195,401	0	4,575	34,707	145	10,822	915
Accumulated depreciation at 1 April 2017	32,826	0	0	0	0	25,674	103	6,442	607
Provided during the year	8,396	0	4,860	0	0	2,474	23	977	62
Impairments charged to the revaluation reserve	(50)	0	(50)	0	0	0	0	0	0
Revaluations	(4,810)	0	(4,810)	0	0	0	0	0	0
Disposals	(1,020)	0	0	0	0	(988)	(8)	(7)	(17)
Accumulated depreciation at 31 March 2018	35,342	0	0	0	0	27,160	118	7,412	652
Net book value									
NBV - Owned at 1 April 2017	50,490	25,150	17,746	0	985	4,270	15	2,227	97
NBV - PFI at 1 April 2017	157,817	0	155,282	0	0	2,535	0	0	0
NBV - Donated at 1 April 2017	175	0	0	0	0	171	0	2	2
NBV total at 1 April 2017	208,482	25,150	173,028	0	985	6,976	15	2,229	99
NBV - Owned at 31 March 2018	57,879	25,150	20,062	0	4,575	4,437	27	3,365	263
NBV - PFI at 31 March 2018	178,227	0	175,339	0	0	2,888	0	0	0
NBV - Donated at 31 March 2018	267	0	0	0	0	222	0	45	0
NBV total at 31 March 2018	236,373	25,150	195,401	0	4,575	7,547	27	3,410	263

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

13.2 2016/17 * Restated

	Total	Land	Buildings excluding dwellings	Dwellings	Group Assets under Construction & POA	Plant & Machinery	Transport Equipment	Information Technology	Furniture & Fittings
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost at 1 April 2016	267,027	25,150	199,821	0	280	32,459	118	8,499	700
Additions - purchased	3,847	0	1,213	0	738	1,262	0	628	6
Additions - leased	0	0	0	0	0	0	0	0	0
Additions - donated	52	0	10	0	0	42	0	0	0
Impairments charged to the revaluation reserve	(28,016)	0	(28,016)	0	0	0	0	0	0
Reclassifications	0	0	0	0	(33)	0	0	33	0
Revaluations	0	0	0	0	0	0	0	0	0
Disposals	(1,602)	0	0	0	0	(1,113)	0	(489)	0
Cost at 31 March 2017	241,308	25,150	173,028	0	985	32,650	118	8,671	706
Accumulated depreciation at 1 April 2016	30,861	0	0	0	0	24,315	87	5,906	553
Provided during the year	8,289	0	4,722	0	0	2,472	16	1,025	54
Impairments charged to the revaluation reserve	(4,722)	0	(4,722)	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0	0	0
Disposals	(1,602)	0	0	0	0	(1,113)	0	(489)	0
Accumulated depreciation at 31 March 2017	32,826	0	0	0	0	25,674	103	6,442	607
Net book value									
NBV - Owned at 1 April 2016	51,605	25,150	18,728	0	280	4,683	31	2,590	143
NBV - PFI at 1 April 2016	184,342	0	181,093	0	0	3,249	0	0	0
NBV - Donated at 1 April 2016 ** Restated	219	0	0	0	0	212	0	3	4
NBV total at 1 April 2016	236,166	25,150	199,821	0	280	8,144	31	2,593	147
NBV - Owned at 31 March 2017	50,490	25,150	17,746	0	985	4,270	15	2,227	97
NBV - PFI at 31 March 2017	157,817	0	155,282	0	0	2,535	0	0	0
NBV - Donated at 31 March 2017	175	0	0	0	0	171	0	2	2
NBV total at 31 March 2017	208,482	25,150	173,028	0	985	6,976	15	2,229	99

* Restated 2016/17 to show the items reclassified as intangible assets under construction. ** Restated to reflect reclassification to PFI.

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.

13.3 Financing of Property, Plant and Equipment

	Total	Land	Buildings excluding dwellings	Dwellings	Group Assets under Construction & POA	Plant & Machinery	Transport Equipment	Information Technology	Furniture & Fittings
Net Book Value At 31 March 2018	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Owned	57,879	25,150	20,062	0	4,575	4,437	27	3,365	263
On Statement of Financial Position PFI contracts and other service concession arrangements	178,227	0	175,339	0	0	2,888	0	0	0
Donated	267	0	0	0	0	222	0	45	0
	236,373	25,150	195,401	0	4,575	7,547	27	3,410	263
At 31 March 2017									
Owned	50,490	25,150	17,746	0	985	4,270	15	2,227	97
On Statement of Financial Position PFI contracts and other service concession arrangements	157,817	0	155,282	0	0	2,535	0	0	0
Donated	175	0	0	0	0	171	0	2	2
	208,482	25,150	173,028	0	985	6,976	15	2,229	99

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	Group Assets under Construction & POA	Plant & Machinery	Transport Equipment	Information Technology	Furniture & Fittings
Net Book Value at 31 March 2018	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Commissioner Requested Assets	210,968	25,150	185,818	0	0	0	0	0	0
Non Commissioner Requested Assets	25,405	0	9,583	0	4,575	7,547	27	3,410	263
	236,373	25,150	195,401	0	4,575	7,547	27	3,410	263
Net Book Value at 31 March 2017									
Commissioner Requested Assets	189,743	25,150	164,593	0	0	0	0	0	0
Non Commissioner Requested Assets	18,739	0	8,435	0	985	6,976	15	2,229	99
	208,482	25,150	173,028	0	985	6,976	15	2,229	99

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.

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 2018 . 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 NHSI. On application there was no movement in the value of land and a general increase in value of buildings (£22.374m) compared to the carrying value following the March 2017 valuation.

In line with IFRS the Trust took the increase in value of the buildings directly to the revaluation reserve.

The valuation for the Guest Ambulatory Centre resulted in an impairment of £1.428m.

In addition the Trust undertook an impairment review of equipment and intangible assets. The carrying value of equipment and intangible assets was deemed to fairly reflect the value of the assets.

Impairment of Assets	31 March 2018 £'000	31 March 2017 £'000
Changes in market price	1,428	0
Unforeseen Obsolescence	0	0
Net impairments charged to the revaluation reserve	505	23,294
TOTAL IMPAIRMENTS	1,933	23,294

13.7 Asset

Valuations

The Trust received a MEA valuation from the District Valuer in March 2018. 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 £25,150,000; £174,796,000 and £nil respectively.

13.8 Non Current Assets Held For Sale

During the year 2017/18 there were no Non Current Assets held for sale (2016/17 £ 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 £8,847,000 (2016/17 £5,133,000). The amount relating to property, plant and equipment is £6,603,000 (2016/17 £5,133,000) and intangible assets £2,244,000 (2016/17 £nil).

13.10 Gains/losses on disposal /derecognition of assets

	31 March 2018 £'000	31 March 2017 £'000
Gains on disposal/derecognition of other property, plant and equipment	63	0
Losses on disposal/derecognition of other property, plant and equipment	(7)	0
	56	0

14 Other Investments

14.1 Investments

	Group	
	2017/18 £'000	2016/17 £'000
Carrying Value at 1 April	1,311	1,136
Prior period adjustment	0	0
Carrying Value at 1 April restated	1,311	1,136
Movement in fair value of Available-for-sale financial assets recognised in Other Comprehensive Income	5	175
Disposals	0	0
Carrying Value at 31 March	1,316	1,311

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 (2016/17 £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	
	2017/18 £'000	2016/17 £'000
Non Current		
NHS Charitable funds: Other financial assets	0	0
Current		
NHS Charitable funds: Other financial assets	500	1,028
	500	1,028

A separate schedule for the Trust other financial assets has not been produced as the Trust does not have any other financial assets (2016/17 £nil).

16 Inventories

	Group		Foundation Trust	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	£'000	£'000	£'000	£'000
Drugs	1,760	1,765	1,616	1,598
Consumables	1,178	1,072	1,178	1,072
Energy	15	20	15	20
Other	38	40	38	40
TOTAL Inventories	2,991	2,897	2,847	2,730

The Trust expensed £31,541,000 of inventories during the year (2016/17 £26,834,000).

The Trust charged £nil to operating expenses in the year due to write-downs of obsolete inventories (2016/17 £nil)

17 Trade and Other Receivables

17.1 Trade and Other Receivables

	Group		Foundation Trust	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Current	£'000	£'000	£'000	£'000
Trade receivables	6,896	14,151	6,896	14,151
Accrued income	2,492	4,603	2,492	4,632
Provision for impaired receivables	(854)	(794)	(854)	(794)
Prepayments (non PFI)	2,047	1,358	2,042	1,697
PFI Prepayments				
Prepayments - Capital contributions	0	0	0	0
Prepayments - Lifecycle replacements	0	0	0	0
Interest Receivable	9	4	9	4
Corporation tax receivable	0	0	0	0
PDC dividend receivable	0	0	0	0
VAT Receivable	1,253	1,138	1,102	968
Other receivables	1,067	1,324	1,067	1,324
NHS Charitable funds Trade and other receivables	16	18	0	0
TOTAL CURRENT TRADE AND OTHER RECEIVABLES	12,926	21,802	12,754	21,982

	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Non Current	£'000	£'000	£'000	£'000
Prepayments (non PFI)	1,915	2,003	1,915	2,003
PFI Prepayments				
Prepayments - Capital contributions	0	0	0	0
Prepayments - Lifecycle replacements	8,565	6,789	8,565	6,789
Other Receivables	1,546	1,546	1,546	1,546
NHS Charitable funds Trade and other receivables	0	0	0	0
TOTAL NON CURRENT TRADE AND OTHER RECEIVABLES	12,026	10,338	12,026	10,338

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 £3,066,000 (31 March 2017 £2,630,000) which are past due at the reporting date but for which no specific provision has been made as they are considered to be recoverable based on previous trading history.

17.2 Provision for impairment of receivables

	Group	
	31 March 2018	31 March 2017
	£'000	£'000
At 1 April	794	1,282
Increase in provision	662	657
Amounts utilised	(80)	(161)
Unused amounts reversed	(522)	(984)
At 31 March	854	794

17.3 Analysis of impaired receivables

	Group			
	31 March 2018		31 March 2017	
	Trade and other receivables	Investments and other financial assets	Trade and other receivables	Investments and other financial assets
Ageing of impaired receivables	£'000	£'000	£'000	£'000
0 - 30 Days	48	0	26	0
30 - 60 Days	45	0	21	0
60 - 90 Days	22	0	43	0
90 - 180 Days	67	0	130	0
over 180 Days (over 6 months)	673	0	574	0
Total	855	0	794	0

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 2018		31 March 2017	
	Trade and other receivables	Investments and other financial assets	Trade and other receivables	Investments and other financial assets
Ageing of non-impaired receivables past their due date	£'000	£'000	£'000	£'000
0 - 30 Days	2,631	0	6,282	0
30 - 60 Days	392	0	209	0
60 - 90 Days	96	0	478	0
90 - 180 Days	251	0	481	0
over 180 Days (over 6 months)	2,327	0	1,462	0
Total	5,697	0	8,912	0

A separate schedule for the Trust non-impairment of receivables has not been produced as the NHS Charity non impaired receivables represent just £16,000 (31 March 2017 £18,000) 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 2018	31 March 2017	31 March 2018	31 March 2017
Current	£'000	£'000	£'000	£'000
Trade payables	2,641	4,323	2,491	4,323
Trade payables - capital	2,268	1,221	2,268	1,221
Taxes payable	7,116	4,059	7,077	4,023
Other payables	7,582	6,171	7,582	6,051
Accruals	3,214	2,056	3,222	2,019
PDC dividend payable	705	276	705	276
NHS Charitable Funds trade and other payables	41	38	0	0
TOTAL CURRENT TRADE & OTHER PAYABLES	23,567	18,144	23,345	17,913
Non Current				
Trade payables	40	80	40	80
TOTAL NON CURRENT TRADE & OTHER PAYABLES	40	80	40	80

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

	Group		Foundation Trust	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Current	£'000	£'000	£'000	£'000
Deferred Income	1,639	1,788	1,639	1,788
TOTAL OTHER CURRENT LIABILITIES	1,639	1,788	1,639	1,788

Non-current liabilities are £nil (31 March 2017 £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 2017/18 (2016/17 £nil).

21 Provisions

	Group Current			Group Non Current	
	31 March 2018	31 March 2017		31 March 2018	31 March 2017
	£'000	£'000		£'000	£'000
Other legal claims	147	140		0	0
Restructuring	0	0		0	0
Redundancy	0	0		0	0
Other	0	0		0	0
Total	147	140		0	0

	Total	Other legal claims	Restructuring	Redundancy	Other
	£'000	£'000	£'000	£'000	£'000
At 1 April 2017	140	140	0	0	0
Arising during the year	111	111	0	0	0
Utilised during the year - cash	(25)	(25)	0	0	0
Utilised during the year - accruals	0	0	0	0	0
Reversed unused	(79)	(79)	0	0	0
At 31 March 2018	147	147	0	0	0
Expected timing of cashflows:					
- not later than one year;	147	147	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	147	147	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 2018 £207,047,000 (2016/17 £182,846,000) 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 2018	As at 31 March 2017
Current	£'000	£'000
Obligations under Private Finance Initiative contracts (excl lifecycle)	6,255	5,156
Total Current borrowings	6,255	5,156
Non Current		
Obligations under Private Finance Initiative contracts	122,236	127,432
Total Other non Current Liabilities	122,236	127,432

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 2018	31 March 2017	31 March 2018	31 March 2017
	£'000	£'000	£'000	£'000
At 1 April	18,026	23,623	17,367	23,383
Transfers By Absorption	0	0	0	0
Net change in year	(3,913)	(5,597)	(3,871)	(6,016)
At 31 March	14,113	18,026	13,496	17,367
Analysed as follows:				
Cash at commercial banks and in hand	619	592	2	2
Cash with the Government Banking Service	13,494	17,434	13,494	17,365
Other current investments	0	0	0	0
Cash and cash equivalents as in Statement of Financial Position	14,113	18,026	13,496	17,367
Bank overdraft	0	0	0	0
Cash and cash equivalents as in Statement of Cash Flows	14,113	18,026	13,496	17,367

25 Events after the reporting year

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

26 Contingencies

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 NHS Improvement - 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 on the following table 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.

27 Related Party Transactions

Group	Year ended 31 March 2018				Year ended 31 March 2017			
	Income	Expenditure	Receivable	Payable	Income	Expenditure	Receivable	Payable
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Birmingham Women's and Children's Foundation Trust	16	879	7	379	0	0	0	0
Black Country Partnership Foundation Trust	193	514	27	24	257	508	0	0
Dudley & Walsall Mental Health Trust	2,370	8	39	0	2,437	0	134	0
The Royal Wolverhampton Trust	2,676	2,198	447	376	2,656	1,790	463	291
Sandwell & West Birmingham Trust	2,228	868	512	290	1,820	784	605	149
Worcestershire Acute Hospitals Trust	361	1,164	54	301	282	975	55	284
Birmingham Cross City CCG	898	0	9	0	810	0	0	0
Birmingham South & Central CCG	605	0	0	8	490	0	0	0
Cannock Chase CCG	420	0	0	205	662	0	161	0
Dudley CCG	211,774	11	2,383	1,437	205,558	73	4,943	1,654
Redditch & Bromsgrove CCG	650	0	114	1	635	0	77	0
Sandwell & West Birmingham CCG	36,258	0	12	49	35,903	0	1,417	0
Shropshire CCG	604	0	34	0	555	0	0	0
South East Staffs & Seisdon Peninsular CCG	10,410	0	550	36	10,385	0	1,127	0
Walsall CCG	2,368	0	56	0	2,421	0	0	0
Wolverhampton CCG	5,073	0	152	0	4,682	0	72	0
Wyre Forest CCG	5,078	0	474	8	4,044	0	796	0
NHS England	49,515	4	2,765	0	55,659	0	6,556	0
Health Education England	10,719	5	56	0	10,414	0	835	0
NHS Improvement	0	15,141	60	60	0	0	0	0
Other related parties - Whole of Government Accounts								
Dudley Metropolitan Borough Council	2,354	73	155	0	2,735	0	171	0
HMRC	0	16,704	1,253	7,116	0	14,723	1,138	4,059
NHS Pensions	0	18,721	0	0	0	17,808	0	2,301
NHS Blood & Transplant	15	1,599	0	26	0	1,522	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 2018	31 March 2017
Compensation	£'000	£'000
Salaries and short-term benefits	915	800
Post-employment benefits	230	385
	1,145	1,185

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 £156,000 owed to the subsidiary (£174,000 2016/17) and £16,000 owed to Dudley Group NHS Charity (£18,000 2016/17), and the Group payables includes £191,000 (£156,000 2016/17) owed by the subsidiary and £41,000 (£38,000 2016/17) owed by 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 2018	As at 31 March 2017
	£'000	£'000
Gross PFI Liabilities	140,309	143,610
of which liabilities are due		
- not later than one year;	18,073	16,178
- later than one year and not later than five years;	25,020	20,624
- later than five years.	97,216	106,808
Finance charges allocated to future periods	(11,818)	(11,022)
Net PFI liabilities	**128,491**	**132,588**
- not later than one year;	6,255	5,156
- later than one year and not later than five years;	25,020	20,624
- later than five years.	97,216	106,808

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 2018	31 March 2017
	£'000	£'000
Within one year	29,913	27,971
2nd to 5th years (inclusive)	119,653	111,884
Later than 5 Years	523,064	540,293
Total	**672,630**	**680,148**

Analysis of amounts payable to the service concession operator:

		*Restated
	31 March 2018	31 March 2017
	£'000	£'000
Unitary payment payable to the concession operator	**38,246**	**37,551**
Consisting of:		
- Interest charge	5,174	5,365
- Repayment of finance lease liability	4,901	5,112
- Service element	19,768	19,409
Capital lifecycle		
- maintenance	710	754
- Contingent rent	5,865	5,717
Addition to lifecycle		
- prepayment	1,828	1,194
Total amount paid to concession operator	**38,246**	**37,551**

Other amounts paid to the service concession operator but not part of the unitary payment

Amounts charges to revenue	2,784	4,158
Amounts capitalised	5,873	443
Total amount paid to the service concession operator	**46,903**	**42,152**

Total length of the project (years)	40
Number of years to the end of the project	23

* Restated to reflect change of classification.

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 2018 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. In addition should the Trust identify a shortfall on cash it has the ability to borrow from the FT financing facility. The Board continues to monitor its monthly and future cash position and has governance arrangements in place to manage cash requirements throughout the year. 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 2018 and 31 March 2017. The values are shown at fair value which is representative of the carrying value.

Financial Assets	Group				Foundation Trust			
	As at 31 March 2018		As at 31 March 2017		As at 31 March 2018		As at 31 March 2017	
	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) with NHS and DH bodies	8,374	8,374	16,258	16,258	8,374	8,374	16,258	16,258
Trade and other receivables (excluding non financial assets) with other bodies	482	482	445	445	326	326	271	271
Cash and cash equivalents	13,899	13,899	17,957	17,957	13,496	13,496	17,783	17,783
Consolidated NHS Charitable fund financial assets	2,046	2,046	2,426	2,426	0	0	0	0
	24,801	24,801	37,086	37,086	22,196	22,196	34,312	34,312

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

Financial Liabilities	Group				Foundation Trust			
	As at 31 March 2018		As at 31 March 2017		As at 31 March 2018		As at 31 March 2017	
	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	128,491	128,491	132,588	132,588	128,491	128,491	132,588	132,588
Trade and other payables (excluding non financial liabilities) with NHS and DH bodies	2,444	2,444	2,273	2,273	2,444	2,444	2,273	2,273
Trade and other payables (excluding non financial liabilities) with other bodies	10,752	10,752	11,803	11,803	10,483	10,483	11,610	11,610
Provisions under contract	147	147	140	140	147	147	140	140
Consolidated NHS Charitable Fund financial liabilities	41	41	38	38	0	0	0	0
	141,875	141,875	146,842	146,842	141,565	141,565	146,611	146,611

29.8 Maturity of Financial Liabilities

	Group		Foundation Trust	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
	£'000	£'000	£'000	£'000
In One Year or Less	19,599	19,330	19,289	19,099
In more than one year but not more than two years	6,295	5,196	6,295	5,196
In more than two years but not more than five years	18,765	15,508	18,765	15,508
In more than five years	97,216	106,808	97,216	106,808
Total	141,875	146,842	141,565	146,611

30 Third Party Assets

The Trust held £33,000 as cash at bank or in hand at 31 March 2018 (31 March 2017 £33,000) 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.

	2017/18		2016/17	
	Number	Value	Number	Value
		£000		£000
Loss of Cash	1	0	0	0
Fruitless payments	2	2	2	1
Bad debts and claims abandoned	104	49	110	66
Damage to Buildings, property etc. due to:				
Theft	5	2	0	0
Stores losses	9	15	2	15
Total Losses	121	68	114	82
Ex gratia payments	17	40	18	43
Total Special Payments	17	40	18	43
Total Losses and Special Payments	138	108	132	125

There were no (2016/17 £nil) clinical negligence, fraud, personal injury, compensation under legal obligations or fruitless payment cases where the net payment for the individual case exceeded £300,000

32 Auditors' Liability

In accordance with the Companies (Disclosure of Auditor Remuneration and Liability Limitation Agreements) Regulations 2008, the liability of the Trust Auditor, 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 6th April 2018.

Section 4: Quality Report and Account

Part 1: Introduction - Chief Executive's Statement

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 examples of learning from complaints and incidents.

Part 1: Introduction - Chief Executive's statement

The Trust continued to focus on providing high quality care and treatment across our hospital, outpatient centres and adult community services during 2017/18. Despite unprecedented demands on our services that have continued beyond the usual winter period, 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 responsibility is to provide high quality treatment and care for all our patients. By this, we strive to provide:

- a good patient experience
- safe care and treatment
- a good and effective standard of care

This report uses these three elements to describe the quality of care delivered at the Trust over the year, providing an overall account 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 priority targets for 2018/19. This part of the report also includes mandated sections 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 provide a useful picture of what is occurring across the Trust as a whole.

Independent reviews of the quality of care at the Trust 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. In terms of outside assessments, the significant review of our services was undertaken by our regulators the Care Quality Commission (CQC) (see Section 2.2.5) over the winter period in December 2017 and January 2018, and the report became available in the middle of April 2018. While we were pleased at the overall 'Good' ratings given to our medical care and care of the elderly, maternity and community Health services, we were disappointed by the ratings given to the other three areas assessed, urgent/emergency care, critical care and Services for children/young People. With regards to the latter, the Trust took immediate action and continues to do so to improve its services and achieve its ambition of being an outstanding CQC rated Trust.

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 progress with some but not all of our 2017/18 priorities. I can report that from our patients who partake in the national Friends and Family Test (FFT) the Trust has received good feedback in some of our services (all aspects of maternity care and the community) although some areas (Emergency Department and outpatients) are below the national average. In addition, it is reassuring to see that our results compare favourably with our neighbours (details in Section 3.2.2). With regards to infection control, we have had no MRSA bacteraemia cases and we are under the national target for C. Difficile cases arising due to lapses in care. We have achieved our target of the number of avoidable Stage 3 pressure ulcers in the hospital although that is not the case in the community and across both areas for Stage 4 avoidable ulcers. One of our three nutrition measures has also been met.

We recognise that we need to make a number of improvements with other priorities related to pain management and medication administration and as a consequence we have rolled them over to next year (2018/19). We will make further efforts to achieve them. In addition, due to their importance, two further topics have been added as priorities: discharge management and incident reporting.

Measuring quality

This report includes many objective indicators of quality, and we have also included a number of 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 the innovation and initiatives that Trust staff have achieved and implemented in the year, give a sense of our quality of care. I would like to make a special mention to all of the staff and departments that have either been nominated, or progressed and gone on to win, both local and national awards (see Section 3.4.2). I am also pleased to see in the report how we are harnessing the power of technology in a number of ways, for example, to enhance care to patients with such developments as using new digital reminiscence therapy software to assist patients with dementia, developing apps to ensure effective care to patients with Parkinsons disease, using new innovative biologic drugs and remotely assessing pregnant patients with diabetes blood glucose levels.
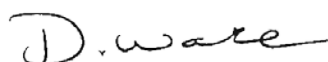
The Trust and its Board of Directors have sought to take all reasonable steps and have exercised appropriate due diligence to ensure the accuracy of the data reported. Following these steps, to the best of my knowledge, the information in this document is accurate.

Finally, 2018/19 will be another challenging year for the Trust as we focus on providing high quality care as well as achieving access targets and other national requirements in the light of tighter financial constraints. We will continue to work with patients, commissioners, our Black Country Alliance partners 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: 22nd May 2018

Diane Wake
Chief Executive

Part 2: Priorities for improvement and statements of assurance from the Board of Directors

2.1   Quality improvement priorities

2.1.1 Summary

The table below provides a summary of the history of our quality priorities over the past five years and outlines the new priorities for 2018/19.

Quality Priority	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	Notes
Patient experience Ensure that the percentage of patients who report positively on their experience is better than the national average. Ensure pain control measures improve.	Hospital: Partially achieved Community: Not achieved	Hospital: Partially achieved Community: Partially achieved	Hospital: Partially achieved Community: Partially achieved	Hospital: Partially achieved Community: Partially achieved	Hospital: Partially achieved Community: Partially achieved	Priority 1	See page 7 for more information
Pressure ulcers Reduce the occurrence of avoidable pressure ulcers.	Hospital: Partially achieved Community: Achieved	Hospital: Partially achieved Community: Partially achieved	Hospital: Achieved Community: Not achieved	Hospital: Partially achieved Community: Partially achieved	Hospital: Partially achieved Community: Not achieved	Priority 2	See page 10 for more information
Infection control Reduce our MRSA rate in line with national and local priorities.	Not achieved	Achieved	Not achieved	Achieved	Achieved	Priority 3	See page 13 for more information
Reduce our Clostridium difficile rate in line with local and national priorities.	Not achieved	Achieved	Achieved	Achieved	Achieved		
Nutrition Ensure there are effective processes in place for nutrition care	Partially achieved	Partially achieved	Partially achieved	Partially achieved	Partially achieved	Priority 4	See page 15 for more information
Hydration Ensure there are effective processes in place for hydration care	Achieved	Achieved					
Medications Ensure effective processes are in place for the medicine administration	N/A	N/A	N/A	Not achieved	Not achieved	Priority 5	See page 18 for more information
Discharge Management						Priority 6	See page 20 for more information
Incident Management						Priority 7	See page 21 for more information

2.1.2 Choosing our priorities for 2018/19

The Quality Priorities for 2017/18 covered the following five topics:

1. Patient experience
2. Infection control
3. Pressure ulcers
4. Nutrition/hydration
5. Medication

These key 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 agreed five years ago by a collaborative event on the Quality Report, hosted by the chief executive and chief nurse who were in post at the time, attended by staff, governors, Foundation Trust members and others from key outside organisations. These topics have been endorsed in discussions with the Dudley MBC Health and Social Care Scrutiny Committee and Dudley Clinical Commissioning Group. The fifth topic, medication, was added in 2016/17 following a review of patient feedback on their care and treatment.

Following further year on year 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 with two further topics added.

The retained topics continue to be fundamental when considering the provision of high 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 patient and commissioner expectation. There are national campaigns of zero tolerance of avoidable pressure ulcers and the need to focus on the assessment and enhancement of patients' nutritional status.

For 2018/19, it has been agreed to increase our priorities to include two new important areas. Firstly, we consider safe and effective discharge to be of central importance in the pathway of care for our patients. Effective planning of discharge will result in fewer delays in this process and patients being able to return back out into the community to the most appropriate place of residence. Secondly, the safety of our patients is paramount. It is widely recognised that an organisation with a positive safety culture has a high incident reporting rate with a reducing number of serious incidents, the latter resulting from learning and changing practice.

All of our priorities have named leads with responsibility for 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.

The Quality Priorities for 2018/19 will cover the following seven topics:

1. Patient experience
2. Infection control
3. Pressure ulcers
4. Nutrition/hydration
5. Medication
6. Discharge management
7. Incident management

2.1.3 Our priorities

Priority 1 for 2017/18: Patient experience

a) Achieve monthly scores in the 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) Improve the overall year score from 2016/17 to 2017/18 for the following question used in our local real-time survey: Were you involved as much as you wanted to be in decisions about your care?

c) 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)

Rationale for inclusion and how we measure and record this priority

a) The NHS Friends and Family Test (FFT) is firmly embedded within the Trust with all patients given the opportunity to complete the survey after each episode of care and treatment in all areas of the organisation. The FFT survey remains a national focus and provides valuable data to support local actions to improve the patient experience. We also use this information to benchmark our performance against other trusts (see Section 3.2.2).

b) Having assessed the outcome of the National Patient Survey, it was decided to include as a new target a topic where we did not perform as well as other questions. To monitor this throughout the year, rather than waiting for the results of the yearly national survey, we have been using the results of our continual real-time survey which has an equivalent question. We measure this by inviting inpatients, who have been given an estimated discharge date and who are expecting to be discharged within 48 hours, to answer this question. An average of 120 patients are surveyed each month.

c) From patient feedback, the Trust has also included a measure 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 nurses will take appropriate action 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 pain free patient admitted for non-invasive tests. Pain scores are audited as part of the Quality Indicator monitoring, which is a monthly check of 10 sets of nursing notes undertaken at random on every ward (see Section 3.3.5).

Developments during 2017/18

- Expanded the Friends and Family Test SMS survey solution to more areas of the Trust
- Continued to improve the way FFT feedback is shared with areas to support local and Trust-wide improvement actions
- Introduced competition and prizes for increased engagement with patients and their families
- Rolled out the new patient observation chart (National Early Warning Score system), which includes a section for recording pain scores
- Ensured that the training for the new chart includes emphasising the need to record the pain score of patients (or where not relevant, to record this in the exceptions box)
- Established a fortnightly Patient Experience Improvement Group chaired by the chief nurse to develop improvement initiatives and monitor progress on action plans

Current status

Family and Friends Test

a) The results are provided on the table and of the 11 months where national figures are available (84) we are achieving the target on 51 occasions. Both maternity and maternity post natal ward achieved the target every month with postnatal ward missing the target only once. Missing the target were: inpatients in May and September to February; A&E for eleven months from April to February; outpatients in June and August to February; maternity antenatal in June, January and February; community in April, November and December.

% FFT Scores	Apr 17	May 17	Jun 17	Jul 17	Aug 17	Sep 17	Oct 17	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18
Inpatient	96.4	95.6	96.5	96.4	96.3	95.9	95.1	95.3	95.1	94.1	94.1	93.7
National	96	96	96	96	96	96	96	96	96	96	96	96
A and E	75	76.6	78.7	77.4	72.5	75.9	83.6	80.3	77.4	74.4	74.4	74.5
National	87	87	88	86	87	87	87	87	85	86	85	84
Maternity Antenatal	100	98.5	95.8	98.9	99.5	97.2	99.3	89.1	97.3	90.9	90.9	97.7
National	97	96	97	96	96	97	96	n/a*	97	97	97	97
Maternity Birth	99.1	98.8	98.3	98.9	98.5	98	98.5	96.9	98.9	97.8	97.8	97.0
National	96	97	97	96	96	96	96	n/a*	97	97	97	97
Maternity Postnatal Ward	97.5	95.2	98.8	97.8	95.5	97.9	97.7	96.3	97.8	100	100	98.5
National	95	95	95	94	94	94	94	n/a*	94	95	95	95
Maternity Postnatal Community	100	100	100	100	96.6	100	100	100	100	100	100	100
National	98	98	100	98	98	98	98	n/a*	98	98	98	98
Community	94	96	97.4	98	98.2	97.1	95.1	95.9	95.7	96.3	96.3	97.4
National	96	96	96	96	96	95	95	96	96	95	96	95
Outpatients	95.3	95.2	91.6	95.3	93.4	92.3	90.8	89.8	92.8	91.7	91.7	91.6
National	94	94	94	94	94	94	94	94	94	94	94	94

Items marked n/a* Please note that NHS England has not supplied the national results for Maternity services in November 2017. Advice given is that every effort is being made to produce this as soon as possible, subject to data quality considerations.

b) The score at the end of 2017/18 for the local survey question 'Were you involved as much as you wanted to be in decisions about your care?' was 8.4 compared to the 2016/17 full year score of 8.2. This priority is achieved.

Were you involved as much as you wanted to be in decisions about your care and treatment?
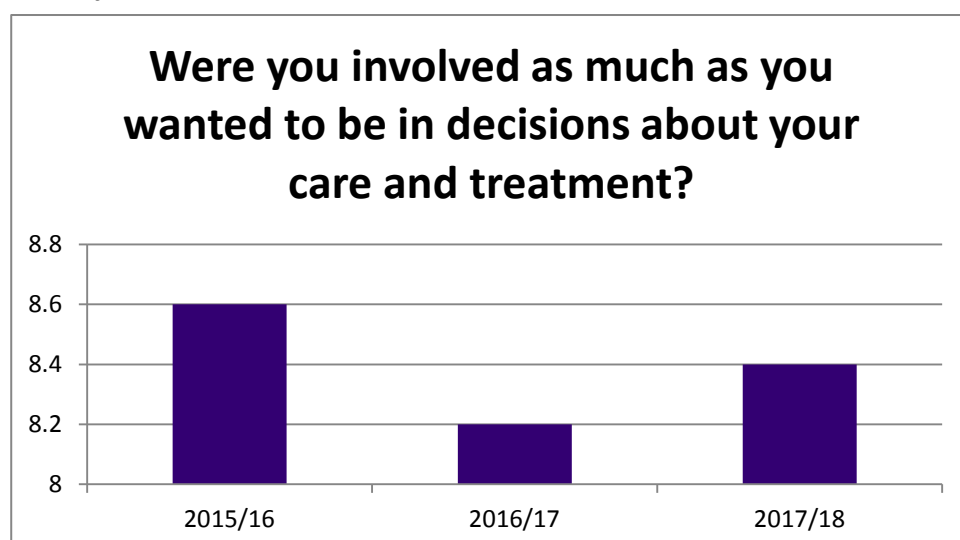
This is a weighted score also known as a partial credit score consistent with the NHS Survey programme.

c) Pain management

With regards to the target on recording the pain score of patients, although it was achieved for four individual months, it can be seen that it has not been achieved consistently throughout the year, and so this target has been retained for 2018/19.

General Inpatients	2016/2017	Quarter 1 2017/2018	Quarter 2 2017/18	Quarter 3 2017/18	Quarter 4 2017/18	2017/18
Pain score	**90%**	**95%**	**88%**	**94%**	**93%**	**93%**

New priority 1 for 2018/19: Patient experience

a) Achieve monthly response rates 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) 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.
c) Improve the overall year score from 2017/18 to 2018/19 for the following question used in our local real-time survey: Were you involved as much as you wanted to be in decisions about your care?
d) Ensure that in 95 per cent or more cases, a patient's pain score is recorded at least every four hours (unless otherwise indicated in the exception box)

Rationale for inclusion and how we measure and record this priority

- The FFT target will be retained as it remains a national focus and provides excellent benchmarking information and drives improvement to the patient experience. It is measured and recorded as described above.
- It is important for the Trust to encourage as many patients as possible to respond to the FFT. A new target relating to the numbers responding is also now included.
- Although we have achieved this target from the continual real-time survey in 2017/18, the provisional results of the national survey suggest it would be useful to continue monitoring this issue.
- The target to ensure that a patient's pain score is recorded at least every four hours will also be retained. It is measured as described above.

Developments planned for 2018/19

- Hold 'Feedback Fridays' weekly to encourage responses to the survey
- Ensure that all areas have a champion for FFT.
- Ensure that all areas where participation is low have action plans in place.
- Roll out SMS to the rest of the Trust.
- Ensure delivery of improvement actions identified using FFT feedback to support an improved percentage recommended score.
- Ensure study days occur in May so that all staff are re-educated on the importance of pain management and its correct documentation.
- Clarify the audit question so that it covers all documents where pain relief may be recorded.

FFT and real-time survey Board sponsor: Chief Nurse Siobhan Jordan, **operational lead**: Head of Patient Experience Jill Faulkner.
Pain Management Board sponsor: Chief Nurse Siobhan Jordan, **operational leads:** Julie Pain and Jenny Bree, associate chief nurses and Matron Sara Davies.

Priority 2 for 2017/18: Pressure ulcers	
Hospital	**Community**
a) Ensure that there are no avoidable stage 4 hospital acquired pressure ulcers throughout the year. b) Ensure that the number of avoidable stage 3 hospital acquired pressure ulcers in 2017/18 reduces from the number in 2016/17.	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 pressure ulcers acquired on the district nurse caseload in 2017/18 reduces from the number in 2016/17.

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 is the aim.
- Feedback from our patients, staff, community groups and governors indicates this should remain a target.

How we measure and record this priority

- A pressure ulcer is defined as 'a localised injury to the skin and/or underlying tissue usually over a bony prominence, as a result of pressure, or pressure in combination with shear'. There are six classes of pressure ulcer, stages 1, 2 3 & 4, Unclassified Stage 3 (UC3) and Suspected Deep Tissue Injury (SDTI).
- 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, providing that the Trust staff have taken all reasonable steps to prevent tissue damage 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 2017/18

- The Trust-wide pressure ulcer prevention and management documentation (SKIN bundle) was reviewed to ensure accuracy of recording and the ability to provide evidence of care delivered. This work was undertaken as part of the NHS England Collaborative Pressure Ulcer Improvement Program, which is an initiative involving 24 trusts across England.
- The current RCA investigation process was reviewed to ensure that it is completed in agreed timeframes and the RCA documentation is more robust with action plans developed that are monitored to ensure shared learning is undertaken.
- The supply and use of pressure relieving devices was audited to ensure they are effective and appropriate so that patients receive the right device for their need.
- The number of device related pressure ulcers due to an oxygen mask and nasal cannula has been addressed with the use of an alternative device. There have been no further incidents since the change occurred but monitoring will continue.
- Photographic images are now made to support the verification process.

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 2015/16 to the present. It gives an indication of the fall in numbers due to the hard work of all staff involved. While there were 30 stage 3 and 4 ulcers in 2016/17, these have been reduced to 18 this year (see note under graph).
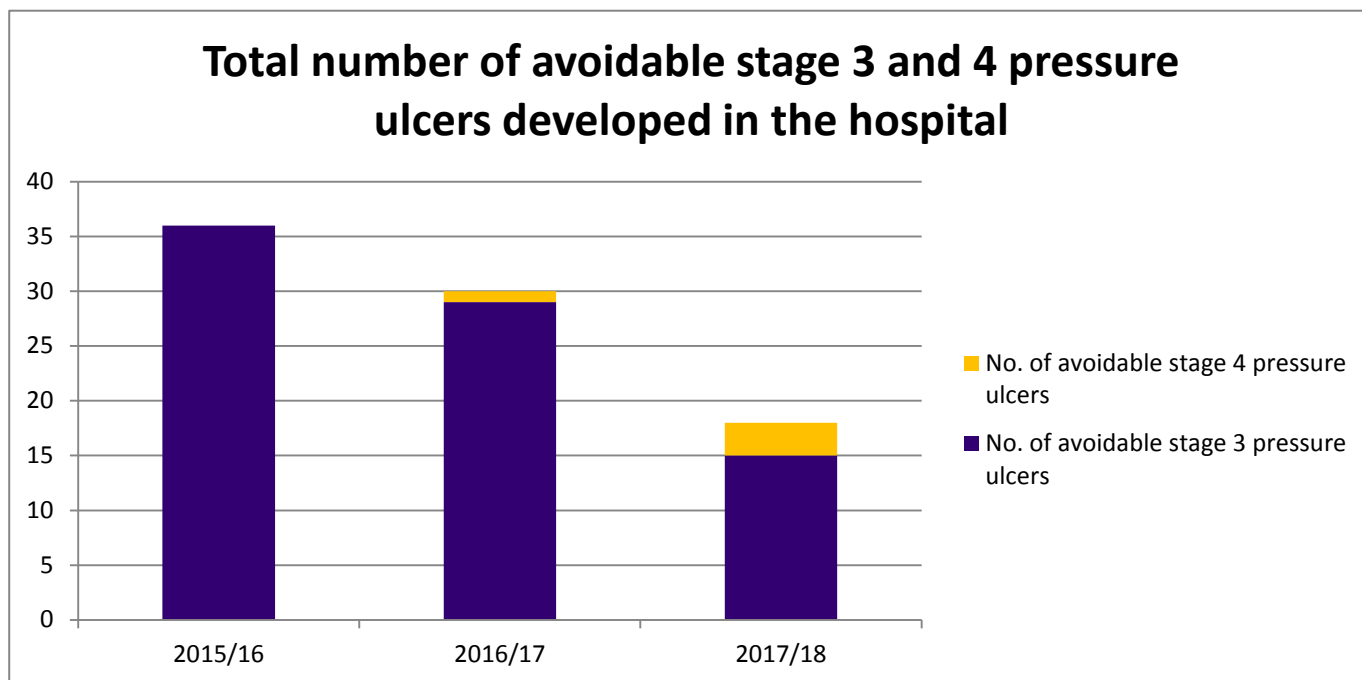
Total number of avoidable stage 3 and 4 pressure ulcers developed in the hospital

- No. of avoidable stage 4 pressure ulcers
- No. of avoidable stage 3 pressure ulcers

In the 2016/17 Quality Report, we reported 20 avoidable stage 3 pressure ulcers. Investigations that continued after the year end later found a further nine avoidable stage 3 ulcers. The 2017/18 figures may be incomplete as a number of pressure ulcers are still being investigated to ascertain whether they were 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 not been achieved as there have been 10 cases this year. The target to reduce the number of avoidable stage 3 acquired from 2016/17 to 2017/18 has not been achieved with there being 24 cases compared to 12 the year before (see graph below).
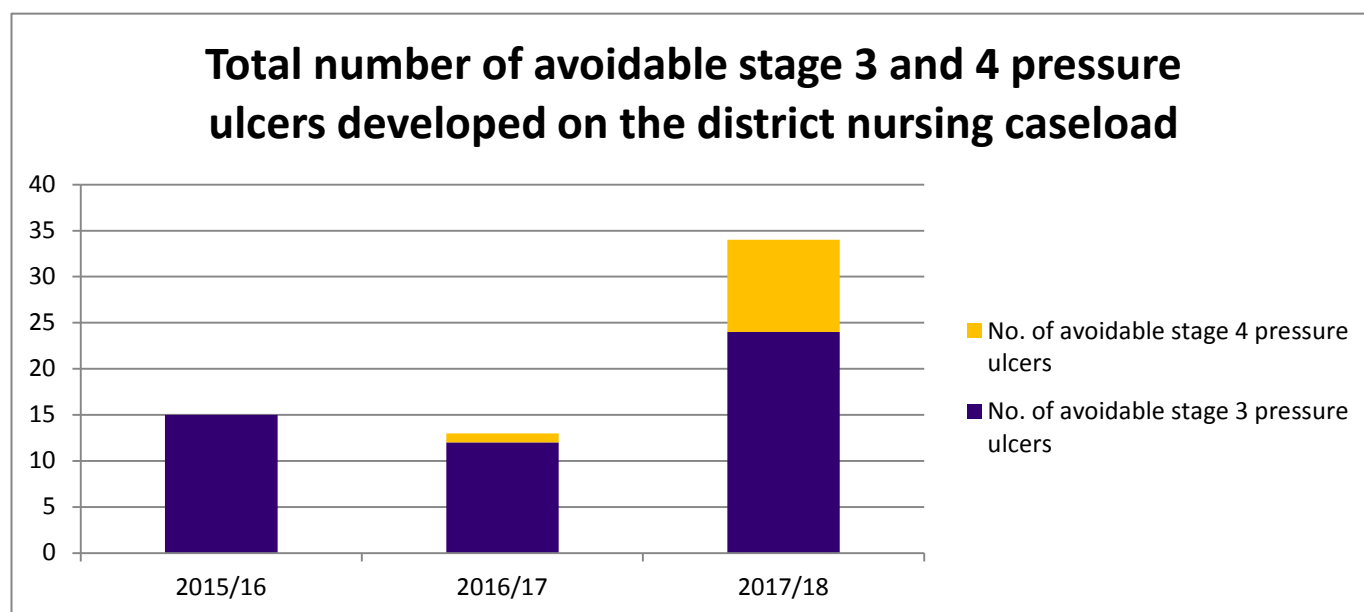
Total number of avoidable stage 3 and 4 pressure ulcers developed on the district nursing caseload

- No. of avoidable stage 4 pressure ulcers
- No. of avoidable stage 3 pressure ulcers

In the 2016/17 Quality Report, we reported 20 avoidable stage 3 pressure ulcers. Investigations that continued after the year end later found a further nine avoidable stage 3 ulcers. The 2017/18 figures may be incomplete as a number of pressure ulcers are still being investigated to ascertain whether they were avoidable or not.

New priority 2 for 2018/19: 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 2018/19 reduces from the number in 2017/18 by at least 10 per cent.	b) Ensure that the number of avoidable stage 3 pressure ulcers acquired on the district nurse caseload in 2018/19 reduces from the number in 2017/18 by at least 10%.

Rationale for inclusion

- We did not achieve all of the pressure ulcer targets we set ourselves in 2017/18 with a particular rise in avoidable stage 3 pressure ulcers in the community.
- Pressure ulcers remain a significant healthcare problem despite the knowledge that pressure ulcers are largely preventable.
- Avoidable pressure ulcers are a key indicator of the quality and experience of patient care.
- Feedback from our patients, staff, community groups and governors indicates this should remain a target.

How we measure and record this priority

In order to reduce the incidence of pressure ulcer development, it is important that we measure the incidence and identify the contributing trends and themes.

- When potential pressure damage is identified, the details are entered into the Trust's incident reporting system. Depending on the stage of damage, the incidents are reviewed by the lead nurse, matron or the tissue viability team to confirm stage and provide advice and support to the patients care provider.
- Root Cause Analysis (RCA) investigation is performed for all acquired pressure

ulcers of stage 3 and above including Suspected Deep Tissue Injury to allow for a systematic evaluation of the contributing factors.
- The duty of candour process ensures that we inform patients and relatives if there have been mistakes in their care that have led to significant harm.

Developments planned for 2018/19

- Develop robust education and training programmes for staff.
- Plan and deliver three educational study days to address key priority topics, pressure ulceration, lower limb ulceration and complex wound management.
- Work with the patient safety team to develop robust reporting processes to ensure data collected is accurate.
- Explore the 'Risk Assessment' tool for the Emergency Department to ensure it is specific to the clinical area for patient assessment.
- Deliver the 'React to Risk' and '50 day pressure ulcer challenge' with an aim to reduce the incidence of avoidable stage2, 3 and 4 pressure ulceration.
- Deliver the International 'Stop the Pressure' campaign to the Trust.

Board Sponsor: Chief Nurse Siobhan Jordan
Operational Lead: Deputy Chief Nurse Carol Love-Mecrow, Julie Pain and Jenny Bree, associate chief nurses and Tissue Viability Lead Nurse Gill Hiskett

Priority 3 for 2017/18: 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 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 had a challenging nationally-set target of 29 C. diff cases for the coming year.

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 2017/18
- Developed current ward dashboard to include saving lives audit data.
- Held a cannula awareness day.
- Implemented new Clostridium difficile RCA investigation tool and assessment form.
- Developed a Glycopeptide Resistant Enterococcus (GRE) patient information leaflet.
- Undertook Infection Prevention and Control Awareness sessions in the main reception at Russells Hall Hospital.
- Participated in the annual World Antibiotic Awareness Week and European Antibiotic Awareness day in order to raise awareness of appropriate antibiotic use amongst staff, patients and visitors.

Current status: MRSA
NHS England has set a zero tolerance approach to MRSA bacteraemia. There have been zero post-48 hour cases reported in the year and so the target has been achieved.

Total MRSA cases per year
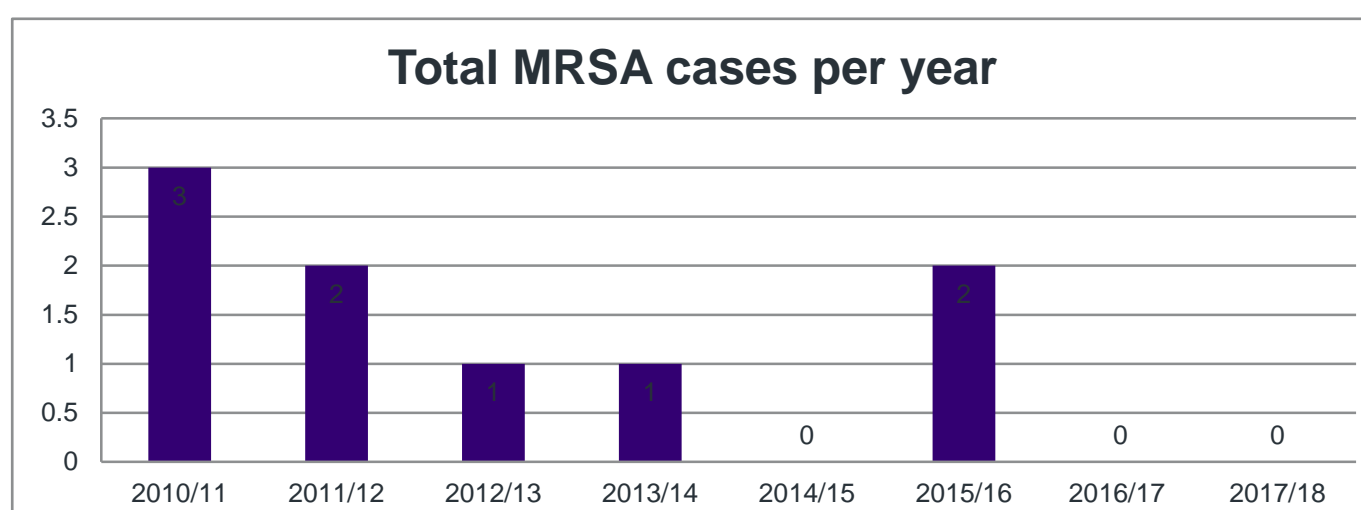
Current status: Clostridium difficile

In the year, we have reported a total of 30 cases of C. difficile of which 18 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 NHS Improvement 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

Year	Total	Apportioned to the Trust/Lapses in care
2011/12	113	
2012/13	56	
2013/14	43	
2014/15	38	
2015/16	43	20
2016/17	33	9
2017/18	30	18

New priority 3 for 2018/19: 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 28 post 48 hour cases of Clostridium difficile with a lapse in care identified.

Rationale for inclusion and how we measure and record this priority

- The Trust and 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 of 28 C. diff cases for the coming year.
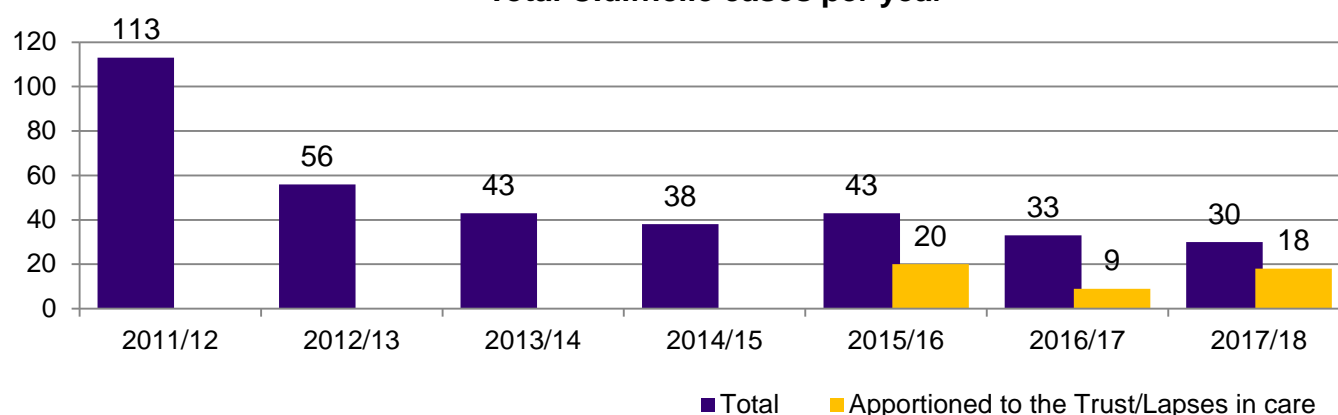
The indicators are measured and recorded as described above.

Developments planned for 2018/19

- Trust-wide mattress audit in conjunction with Tissue Viability.
- Participate in National Infection Prevention and Control week.

- Participate in W.H.O campaign – Clean Your Hands Campaign.
- Review process for Gram negative surveillance.
- Antimicrobial Stewardship awareness week.
- Review Antimicrobial prescribing and referrals from wards.
- Recruitment of governors as 'infection control secret shoppers'.
- Review MRSA Screening Policies and data collection.
- Continue ongoing work with the wider health economy through the HCAI Partnership Group.
- Implement the revised mandatory training programme for infection control.
- Adopt the catheter 'passport' to improve catheter care across the health economy after final ratification

Board sponsor: Chief Nurse Siobhan Jordan, **operational leads:** Director of Infection Prevention and Control Dr. E.N. Rees, Matron, Infection Prevention and Control Angela Murray.

Priority 4 for 2017/18: Nutrition and hydration

Ensure that the overall score of the monthly nutrition and hydration audit (made up of 24 items):
  a) is 95% or above in each of the first three quarters for the Trust as a whole
  b) 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.
- A target on the completion of the MUST 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 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

As part of the monitoring of care relating to nutrition and hydration, a comprehensive audit tool was introduced in 2014. This follows the Nursing Care Indicator 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 a 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 10 patients on every ward each month. The MUST score is audited as part of the NCI monitoring, which is a monthly check of 10 sets of nursing notes undertaken at random on every ward (see Section 3.3.5).

Developments that occurred in 2017/18

- Evaluated progress of weekly patient weighing.
- Implemented updated fluid balance charts, underpinned with clear instructions on their use.
- Updated teaching package and placed on intranet.
- Reviewed dietetic team referral criteria guidance which includes an amended nutrition bundle.
- Ensured patients' nutritional needs were met by appropriate ordering of meals. Nutrition group worked with catering assistants.
- Had active publicity campaign as part of the National Nutrition week.
- Re-launched Nutrition Steering Group.
- Joined National Nutritional Collaborative working with other trusts on this topic.
- Nursing representation now in place at the Combined Services Group.
- Started Nutritional Observation Audit.

Current status: Nutrition/hydration

With regards to the nutrition audit, while the target was met in the first two quarters (and in eight of the 12 months), it was narrowly missed in the second two quarters (see chart below).

For the second part of the target (every ward achieving 95 per cent or above in the last quarter), this has not been achieved. 14 of the 20 areas had scores 95 per cent or above, with six wards not achieving the target.

Nutrition audit Hospital					
2016/2017	Qtr 1 2017/2018	Qtr 2 2017/2018	Qtr 3 2017/2018	Qtr 4 2017/2018	2017/18
96%	95%	95%	94%	93%	94%

Wards: Qtr 4	
95% and above	14
94 to 85%	4
84% and less	2

The MUST target for the hospital has not been met, although improvements were made throughout the year. It has been agreed to retain this target next year and make an extra effort to achieve this in the future.

MUST assessment Hospital					
2016/2017	Qtr 1 2017/2018	Qtr 2 2017/2018	Qtr 3 2017/2018	Qtr 4 2017/2018	2017/2018
85%	91%	92%	93%	94%	93%

The MUST target for the community services has been met as the quarterly figures below indicate.

MUST assessment Community					
2016/2017	Qtr 1 2017/2018	Qtr 2 2017/2018	Qtr 3 2017/2018	Qtr 4 2017/2018	2017/18
96%	97%	96%	93%	98%	96%

Relative Quote (Day Surgery Unit)
"My health and wellbeing were paramount and I felt that I received a first class service. The nurses on the ward, the theatre nurse, the anaesthetists, the physiotherapists all helped to make my short stay as comfortable as possible."

New priority 4 for 2018/19: Nutrition and hydration

Ensure that the overall score of the monthly nutrition and hydration audit (made up of 24 items):
    a) is 95% or above in each of the first three quarters for the Trust as a whole
    b) 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 within 24 hours of admission 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 and how we measure and record this priority

- Due to non-achievement of three of the four targets in 2017/18 decided to retain them for 2018/19.
- Retain the emphasis on nutrition and hydration due to not meeting some of the targets for last year.
- Trust is taking part in National Collaborative project on this topic
- Feedback from our patients, staff, community groups and governors indicates this should remain a target.

The indicators are measured and recorded as described above.

Developments planned for 2018/19

- Continue nutritional collaborative work by implementation of a more systematic approach to supported mealtimes

- Revise protected meal policy as supported mealtime policy.
- Ensure nutrition link nurse group meets on a monthly basis and nutrition steering group on a three monthly basis.
- When new Electronic Patient Record is implemented, MUST assessment will be mandatory.
- Review the menus available in the Trust.
- Review food supplier.
- Implement a screensaver which will stress the importance of good nutrition.
- Organise a structured training programme on MUST for all staff across the Trust.
- Implement food hygiene training for all nursing staff that handle food (mandatory requirement).

Board sponsor: Chief Nurse Siobhan Jordan**, operational leads:** Jenny Bree and Julie Pain, associate chief nurses, Matron Lesley Leddington and Deputy Matron Debra Vasey.

Priority 5 for 2017/18: Medications

Ensure that in 95% or more cases, all prescribed medications will either be: a) signed and dated as administered or b) have an omission code recorded.

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, declines 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 remain a target.

How we measure and record this priority

The recording of medications administered and omitted are audited as part of the Nursing Care Indicators (NCI) monitoring, which is a monthly check of 10 sets of nursing notes undertaken at random on every ward (see Section 3.3.5).

Developments that occurred in 2017/18

- Refocus of priorities for link workers for 2017/18 and shared action plan with senior team.
- Posters relating to missed dosage and efficacy of analgesia displayed in all medication trolleys and treatment rooms and kept up to date by link workers.
- Trust intranet for medicines management developed to become more user friendly for nursing/medical staff.
- Matron and pharmacy lead nominated.

Current status: Medications

It can be seen from the chart below that even though there was an improvement later in the year the target for the whole 12 months has not been met and so this is retained for 2018/19.

Medications signed and dated/omission code recorded					
End of year results 2016/2017	Qtr 1 2017/2018	Qtr 2 2017/2018	Qtr 3 2017/2018	Qtr 4 2017/2018	2017/18
88-92%	94%	92%	93%	96%	93%

New priority 5 for 2018/19: Medications

a) Ensure that in 95% or more cases, all prescribed medications will either be: a) signed and dated as administered or b) have an omission code recorded.

b) All patients who have a known potential to have an adverse reaction or have an allergy or sensitivity to a product/medication are clearly identified by having a red identification band in place.

Rationale for inclusion

As explained previously, the importance of patients receiving their prescribed medication appropriately and on time cannot be overestimated. Due to the non-achievement of the target in 2017/18, this topic has been retained.

In addition, it is important to reduce and, where possible, eliminate the risk and consequences of exposing a patient who is known to have an adverse reaction or allergy or sensitivity to a medication/product that may be used in their care. This further target has therefore been added.

How we measure and record this priority

The correct recording of medications administered and omitted is measured as explained above. The appropriate wearing of red identification bands for patients with allergies is measured as part of the spot wristband audit undertaken by matrons on all inpatients on a random day every quarter. Once the Electronic Patient Record is implemented this year, it will be possible to produce a report of all inpatients with allergies against which a check can be made that all of them are wearing a red identification band.

Learning Lessons

A Near Miss in pharmacy occurred relating to cyclophosphamide 50mg and cyclizine 50 mg, where the two drugs were confused and labelled (not dispensed). This prompted pharmacy to introduce a new caddy system and this clearly separates the products on the shelves in the pharmacy.

Developments planned for 2018/19

- Collaborative work to be undertaken with the West Midland Medicines Safety Officer Group to benchmark trusts with omitted doses. Regular audit and action plans for the region will also commence.
- Electronic EPMA system to be launched in June 2018 which will alert nursing staff to doses due, reducing the risk of omitted doses. Following implementation monitoring and audit of omitted doses will become easier.
- Include missed doses in September 2017 Medicines Link Newsletter to re-educate all staff.

- Datix trends to be reviewed by Safer Medicines Group (SMP).
- Red wrist band policy to be written and agreed
- Red wrist band policy to be launched Trust-wide via the intranet
- Weekly audits will commence initially by medicines matron to ensure compliance and then will revert to monthly audits once embedded to be completed by Lead nurses.

Board sponsor: Chief Nurse Siobhan Jordan, **operational leads:** Julie Pain and Jenny Bree, associate chief nurses, Matron Sara Davies and Governance Pharmacist Suzanne Cooper.

New priority 6 for 2018/19: Discharge Management

a) All patients will have an Expected Discharge Date (EDD) determined by assuming ideal recovery and assuming no unnecessary waiting.

b) Early discharge. All medical and surgical wards will discharge the following number of patients before midday: In Q1, at least one patient. In Q2 at least two patients, which will be maintained in Q3 and Q4.

c) Delays in discharge. The total number of days that patients due for discharge are delayed will reduce by the following compared to the same quarter in 2017/18: Q1 by 10%, Q2 by 15%, which will be maintained in Q3 and Q4.

Rationale for inclusion and how we measure and record this priority

- We consider safe and effective discharge to be of central importance in the pathway of care for our patients.
- We recognise that being discharged from hospital, which patients often feel is a place of safety, can be an anxious time.
- We also recognise that once the decision has been made that discharge home can take place, it is an important element of a patient's experience that this takes place quickly and efficiently.
- Discharge planning needs to start from the day of admission.

We measure and record this priority with the estimated discharge date and time of discharge recorded on the electronic patient administration system, which links with the Trust's discharge database. On the database, delays in discharge and the reasons for delays are recorded. These systems make it possible to monitor the above targets.

Developments planned for 2018/19

- Ensure that daily ward rounds occur moving to twice daily ward rounds by the end of the year.
- Ensure that daily/twice daily ward rounds are included in consultant job planning.
- Implement the 'Red 2 Green' process.
- Reinstate 'stranded patient'/length of stay meetings.
- Ensure that the Estimated Discharge Date is a mandatory field on the patient administration system and the Estimated Discharge date is retained in the system.

Relative Quote (Critical Care)

"They treated my Grandad with respect and dignity in his last hours. They showed great compassion to us as a family, making sure we and my Grandad were all as comfortable as could be. I would like to thank the whole team for their hard work and dedication"

Board sponsor: Chief Operating Officer Karen Kelly, o**perational leads:** Discharge Facilitator Gregg Marson, Divisional Manager Karen Hanson, Chief of Surgery Matt Weller, Chief of Medicine and Integrated Care Matt Banks and Clinical Director of the Urgent Care Directorate Hassan Paraiso.

New priority 7 for 2018/19: Incident Management

a) The Trust's reporting rate will increase every quarter, culminating in a 5% increase for the whole year and its comparative position on the reporting rate of incidents will improve every six months.

b) In 2018/19, for the full year reduce the number of Serious Incidents (non-pressure ulcers) by 5% compared to the numbers in 2017/18.

Rationale for inclusion and how we measure and record this priority

- The safety of our patients is paramount.
- It is widely recognised that an organisation with a positive safety culture has a high incident reporting rate with a reducing number of serious incidents, the latter resulting from learning and changing practice.
- With regards to the overall reporting rate, latest published six monthly comparative figures the Trust reporting rate was 79th of 136 organisations. This comparative position shows that there is room for further improvement.

Measurement and reporting

All incidents are recorded within the Trust's incident management system, Datix. Data is extracted from this system monthly and is reported at both an operational level through the respective divisional governance meetings and at a Board level through the reporting to the Clinical Quality, Safety and Patient Experience Committee and the Board itself. Reported incidents are also recorded within the Trust's integrated performance report and developed ward quality dashboards.

Developments planned for 2018/19

In order to support the organisational change, the following key developments / actions are planned:

- Expand the corporate incident management team to provide enhanced divisional support through a dedicated incident business partner.
- Enhance reporting on learning from past incidents to encourage future reporting.
- Development of the reporting of positive practice to encourage best practice.

Board sponsor: Director of Governance Glen Palethorpe, **operational leads:** Patient Safety Manager Justine Edwards, Helen Hudson, Claire Evans and Sushma Tiwari, divisional patient safety advisors.

New father quote (Maternity)

"I thank God for your team and pray that you will continue the outstanding work you do day in day out. Thanks again from an extremely proud father."

2.2 Statements of assurance from the Board of Directors

2.2.1 Review of services

During 2017/18, 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 59 of these relevant health services. The income generated by the relevant health services reviewed in 2017/18 represents 98.3 per cent of the total income generated from the provision of relevant health services by the Trust for 2017/18. *Henceforth referred to as 'the Trust'*

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, together with representation from Dudley Clinical Commissioning Group, undertake Quality and Safety Reviews of clinical areas (see section 3.3.2). The Trust has a Mortality Surveillance Group, chaired by the medical director, which reviews all matters relating to mortality including the Trust's mortality tracking system. Dudley Clinical Commissioning Group is invited to join the mortality review process. Every month, each of the two clinical divisions at the Trust have a performance review undertaken when they are assessed by directors on a variety of quality indicators.

We also monitor safety, clinical effectiveness and patient experience through a variety of other methods:

- Quality Indicators - monthly audits of key nursing interventions and their documentation. These are being expanded to cover all professional groups with each area having a Quality Dashboard that all staff and patients can view so that the performance in terms of quality care is clear to everyone associated with that service. The key quality indicators are published, monitored and reported to the Board of Directors every quarter (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).

- A variety of senior clinical staff attend the monthly three key sub-committees of the Board to report and present on performance and quality issues within their area of responsibility: Clinical Quality, Safety and Patient Experience Committee, Finance and Performance Committee and Workforce and Staff Performance Committee.
- 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 of the Trust services, which included the following key ones this year:

   o The Quality Surveillance Team (QST) lead an Integrated Quality Assurance Programme for the NHS and is part of the National Specialised Commissioning Directorates, Quality Assurance and Improvement Framework (QAIF). The role of the QST is to improve the quality and outcomes of clinical services by delivering a sustainable and embedded quality assurance framework for all cancer services and specialised commissioned services within NHS England. For cancer services, the Trust was required to submit its annual assessments in 2017 against the QST measures in collaboration with each relevant Quality Lead/Services Specialist. Services have received initial feedback and action plans are in place to mitigate against any risks identified.

o The following pathology departments were assessed: All pathology departments have continued to perform well in their accreditation inspections, the United Kingdom Accreditation Service (UKAS) Assessment Manager and Peer Assessors being complimentary about each area's verification of tests and overall laboratory compliance to the standards. At every visit they have complimented all the departments on their openness and positive approach to inspection, which is reflected in the following outcomes:

a) Assessed against CPA (Clinical Pathology Accreditation) standards and in transition to accreditation by UKAS against ISO 15189:2012 Medical laboratories – Requirements for quality and competence:

Microbiology – CPA accreditation maintained with findings to action following an assessment visit by UKAS on 16th to 18th May 2017. All findings cleared by Assessment Manager, awaiting final decision from UKAS Decision Makers.

Immunology – CPA accreditation maintained with findings to action following an assessment visit by UKAS on 12th and 14th June 2017. All findings cleared by Assessment Manager, awaiting final decision from UKAS Decision Makers.

b) Assessed against ISO 15189:2012 standards

Cellular Pathology and the mortuary have maintained accreditation against ISO 15189:2012 as assessed by UKAS. They underwent their Surveillance 2 on 16th January 2018, evidence for findings to be submitted by 17/02/2018.

Biochemistry has achieved accreditation against ISO 15189:2012 assessed by UKAS against the tests witnessed. However, with the introduction of the new analysers and the majority of biochemistry tests changing platforms, the department will need to apply for extension/change of scope once new analysers and pre-analytics are verified. Their Surveillance 1 will be in 29th March 2018, they will submit their verifications for an extension to their accredited scope before the end of February 2018.

Haematology has achieved accreditation against ISO 15189:2012 assessed by UKAS against the tests witnessed. Their Surveillance 1 will be on 17th to 18 April 2018. They too will be applying for minor extension to scope.

In addition, Microbiology had a visit from the Health and Safety Executive (HSE) on 17th January 2018. The HSE inspected the Containment Level 3 Facility within the laboratory which is used when processing high risk samples. Microbiology did extremely well with no improvement notices issued as all findings were satisfactory.

o With regards to education and training, the Trust had a number of educational visits during the year. In June 2017, the training of the doctors in the two Foundation Years was assessed. The trainees described an enjoyable training experience and overall, they were positive about their learning environment. It was highlighted that all trainees would recommend their post to a colleague and would all recommend the Trust to a friend or family. A number of issues were raised which were impacting on the educational experience and these have been rectified. In November 2017, General Surgery was assessed and trainees were positive in their overall feedback about working and training in the Trust. An action plan was drawn up based on the comments of the juniors. A Defence Deanery Review also took place in November 2017

and trainees described the learning experience at Russells Hall Vascular Unit as the premiere placement in the region. In January 2018, a visit took place to the Obstetric and Gynaecology areas. The good points from this review were that trainees were positive about working and supervision in the gynaecology ward and clinics, antenatal clinics and theatres. GP trainees gave positive feedback about their training experience and the new college tutor has received very good feedback. Actions were required with labour ward leadership and handover in that area.

o In April 2017, a DoH GIRFT (Get it Right First Time) visit occurred in **Orthopaedics.** One of the key recommendations made was the streamlining of prostheses used; for elective hip prostheses we now have one supplier; phase 2 is to review our trauma prostheses. Four further GIRFT visits occurred in June 2017 in **Obstetrics and Gynaecology, Ophthalmology, Spinal Services and Urology** with two further visits in July 2017: **Maxillo-Facial Surgery and ENT.** When recommendations were made, action plans were drawn up. The British Orthopaedic Association undertook a **Hip Fracture Review** in June 2017. The final report was received in February 2018 and appropriate actions are taking place. Peer reviews were undertaken on the **Critical Care (July 2017) and Neonatal Care (2018).** No report has been produced so far but for the latter, review actions have already commenced. The Trust's **GI** services were assessed in the year and received accreditation from the Joint Advisory Group (JAG) on GI Endoscopy. In November 2017, NHS Improvement undertook a review of **Infection Prevention and Control** and actions have commenced based on a detailed action plan that has been compiled.

o Early in 2016, NHS England alerted Dudley CCG that the Trust had reported a higher number of serious incidents in maternity compared to comparable trusts in the West Midlands during April 2014 to December 2015. A review of all investigation (RCA) reports related to these incidents was carried out by an independent reviewer at the request of the CCG. A Quality Improvement Board (QIB) was established involving six organisations including the Trust, Dudley CCG, the Care Quality Commission (CQC), NHS England, NHS Improvement and Healthwatch Dudley. The objectives of the QIB were to work together to enhance maternity services, ensuring that families were included in the process and gaining assurance that maternity services were safe and effective with robust risk management processes. An action plan was developed which included all issues identified and the completion of all actions was actively monitored within the Trust and via the Quality Improvement Board. In October 2017, a report was published to inform all stakeholders of the outcome of the QIB and to provide assurances of the improvements made within the maternity services. The maternity services are able to demonstrate the improvements in care and safety for all women and babies. Systems and processes have been strengthened to improve governance overall. Partnerships with other maternity units have been forged which allows for sharing of good practice and lessons learned between all organisations. We are pleased that this has been evidenced and the CQC have rated our maternity services as good overall at their recent inspection.

2.2.2 Participation in national clinical audits and confidential enquiries

During 2017/18, 45 national clinical audits and three national confidential enquiries covered relevant NHS services that the Trust provides. During that period the Trust participated in 100 per cent of the national clinical audits and 100 per cent of the national confidential enquiries of the national clinical audits and national confidential enquiries which it was eligible to participate in. The national clinical audits and national confidential enquiries that the Trust was eligible to participate in, actually participated in, and for which data collection was completed during 2017/18 are listed below. Tables 1 and 2 show 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. There was no data collection nationally for four national audits.

Table 1

National Clinical Audits	Participation	% submitted
Women		
Maternal, Newborn and Infant Clinical Outcome Review Programme – MBRRACE	Yes	100%
National Maternity and Perinatal Audit (NMPA)	Yes	100%
Paediatrics and Neonates		
Diabetes (Paediatric) (NPDA)	Yes	100%
National Intensive and Special Care (NNAP)	Yes	100%
National Audit of Seizures and Epilepsies in children and young people (Epilepsy 12)	Yes	Not started nationally
Acute Care		
BAUS - Urology Audits - Nephrectomy	Yes	100%
BAUS - Urology Audits - Percutaneous Nephrolithotomy	Yes	100%
Case Mix Programme (CMP)	Yes	100%
National Cardiac Arrest Audit (NCAA)	Yes	100%
National Emergency Laparotomy Audit (NELA)	Yes	100%
Fracture Neck of Femur (Care in Emergency Department)	Yes	100%
Pain in Children (Care in Emergency Department)	Yes	100%
VTE in Lower Limb Immobilisation (Care in Emergency Department)	Yes	100%
National Emergency Laparotomy Audit (NELA)	Yes	100%
National Audit of Care at the End of Life (NACEL)	Yes	Not started nationally
UK Parkinson's Audit	Yes	100%

Long Term Conditions		
Inflammatory Bowel Disease IBD Registry, Biological Therapies Audit	Yes	100%
National Chronic Obstructive Pulmonary Disease (COPD) Audit Programme - Pulmonary rehabilitation	Yes	100%
National Chronic Obstructive Pulmonary Disease (COPD) Audit Programme - Secondary care	Yes	100%
Learning Disability Mortality Review Programme (LeDeR)	Yes	100%
National Vascular Registry	Yes	100%
National Audit of Dementia	Yes	Not started nationally
National Ophthalmology Audit	Yes	100%
National clinical audit for Rheumatoid and Early Inflammatory Arthritis (NCAREIA)	Yes	Not started nationally
National Diabetes Programme		
National Inpatient Audit Diabetes (Adult)	Yes	100%
National Foot Care Audit	Yes	100%
National Pregnancy in diabetes	Yes	100%
Cardiovascular Disease		
Cardiac Rhythm Management (CRM)	Yes	100%
Acute Coronary Syndrome or Acute Myocardial Infarction (MINAP)	Yes	100%
National Heart Failure Audit	Yes	100%
Sentinel Stroke National Audit Programme (SSNAP)	Yes	100%
Cancer		
Bowel Cancer (NBOCAP)	Yes	100%
Lung Cancer (NLCA)	Yes	100%
National Prostate Cancer Audit	Yes	. 100%
National Audit of Breast Cancer in Older People (NABCOP)	Yes	100%
Head and Neck Cancer Audit	Yes	100%
Oesophago- Gastric Cancer (NAOGC)	Yes	100%
Trauma		
Major Trauma - The Trauma & Audit Research Network (TARN)	Yes	100%
National Joint Registry (NJR)	Yes	100%
Falls and Fragility Fractures Audit Programme (FFFAP)		
Inpatient Falls	Yes	100%
National Hip Fracture database	Yes	100%

Blood Transfusion		
National Comparative Audit of Blood Transfusion Programme - Re-audit of the 2016 audit of red cell and platelet transfusion in adult haematology patients	Yes	100%
National Comparative Audit of Blood Transfusion Programme -2017 National Comparative Audit of Transfusion Associated Circulatory Overload (TACO)	Yes	100%
National Comparative Audit of Blood Transfusion Programme - Audit of Patient Blood Management in Scheduled Surgery - Re-audit September 2016	Yes	100%
Serious Hazards of Transfusion (SHOT)	Yes	100%

Table 2

National Confidential Enquiries				
Name of Study	No. of Cases included	No. and percentage of clinical questionnaires submitted	No. of case notes submitted	No. of organisation questionnaires submitted
Chronic Neurodisability	7	5 (71%)	3	2
Young People's Mental Health	7	3 (43%)	3	2
Cancer in children, teens and young adults	1	1 (100%)	1	1

The reports of 13 national clinical audits were reviewed in 2017/18 (Table 3) and the Trust has taken or intends to take the following actions to improve the quality of healthcare provided (Table 4)

Table 3

Audits
NHFD – National Hip fracture Database
NNAP – National Neonatal Audit Programme: 2017 Annual Report on 2016 data
National Clinical Audit of Rheumatoid and Early Arthritis
7 Day Review Services – NHS England
NADIA (Inpatient Diabetes Audit)
NPDA – National Audit Paediatric Diabetes
The National Maternity and Perinatal Audit (NMPA)
UK renal registry report for Russells Hall Hospital (IBD)
SSNAP – Sentinel Stroke Audit
ICNARC (Intensive Care National Audit and Research Centre) CMP
National Audit of Dementia
National Diabetes Foot Care Audit 2014-2016
Pulmonary Rehabilitation: Steps to breathe better

Table 4

National Audit Title	Details of actions taken or being taken to improve the quality of local services and the outcomes of care.
NHFD – National Hip Fracture database	Theatre efficiency has improved mainly in obstetrics and trauma theatres. The Trust's case mix adjusted mortality has significantly dropped to 5.4%. This reduction is credited to the extensive work undertaken within the department including: an anaesthetic review of all mortalities, the introduction of a 15 minute spinal rule and 20 minute surgical rule and a re-focus on admission to theatre time.
NNAP (Neonatal Annual Audit programme)	Total compliance was achieved for the standard for babies screened for retinopathy, with 54% receiving documented clinical follow up at two years; however, this was in line with national average. 46% achieved the standard of babies with temperature measured. The Trust is investing in new thermometers to provide the best possible equipment and this should improve compliance.
National Clinical Audit of Rheumatoid and Early Arthritis	All new patient referrals are triaged to ensure inflammatory arthritis patients are seen within three weeks as per standard. For a new diagnosis of arthritis, all patients will receive Arthritis Research UK patient leaflet. Communication with patients will improve by discussing treatment targets at follow up clinics.
7 Day Review Services	The Trust is working towards twice daily ward rounds on all wards. The ward round checklist will have as mandatory a patient discussion. There is a need to document clearly those patients who are fit for discharge or medically optimised that do not need daily consultant review. Future audits will define which level of care criteria the patient meets before determining if they need daily/twice daily review.
NADIA (Inpatient Diabetes Audit)	The Trust is in the lowest quartile for diabetes-related incidents. 100% of patients receive the diabetic foot assessment within 24 hours of admission.
NPDA – National Audit Paediatric Diabetes	To improve the Trust's compliance rate, a dedicated person will be employed to input all the data into the 'Twinkle' database, and a psychologist will form part of the team.
The National Maternity and Perinatal Audit (NMPA)	There are nine key standards that are measured for this audit and the Trust is non-compliant with two; however, the Trust is aware and is taking the necessary action.
SSNAP – Sentinel Stroke Audit	The compliance rate in the audit is one of the best in the country. The targets were achieved and exceeded on the following standards: 1. Proportion of patients scanned within one hour of clock start, 4. Proportion of patients reported as requiring occupational therapy, 9.2 Proportion of applicable patients in atrial fibrillation on discharge who are discharged on anticoagulants or with a plan to start anticoagulation. There was a demonstrated improvement in mood and continence recording in the audit.
ICNARC (Intensive Care National Audit and Research Centre) CMP	All discharges are now reviewed by a consultant after leaving ICU.

National Audit Title	Details of actions taken or being taken to improve the quality of local services and the outcomes of care.
National Audit of Dementia	A local action plan is being developed to address the low compliance areas
National Diabetes Foot Care Audit 2014-2016	The Trust is planning to create patient pathways and work closely with the commissioners to improve foot care services
Pulmonary Rehabilitation: Steps to breathe better	An individualised exercise plan for post-rehabilitation patients has been implemented and care bundles are to be re-introduced

Local clinical audit

The reports of 24 completed local clinical audits were reviewed in 2017/18 and the Trust has taken, or intends to take, the following actions to improve the quality of healthcare provided:

Speciality/Audit Title	Actions Trust has taken or intends to take
Anaesthetics: Utilisation of Obstetric HDU Review Stickers	HDU admission stickers have improved anaesthetic documentation. Trainee obstetric induction package now includes the importance of review and documentation of HDU admissions. Posters displayed in HDU rooms prompting midwives to ask for review of appropriate patients.
Obstetrics: Induction of Labour NICE Guidance Audit	Management of induction labour includes maternal and fetal monitoring, along with adequate pain relief being given in more than 75% of cases.
Paediatrics: Management of Paediatric Head Injury NICE Guidance Audit	All children requiring head CTs or a period of observation after head injury were identified correctly and the sedation policy was updated to avoid failed sedation for those needing sedation for CT head.
Paediatrics: Regional Early Onset Neonatal Sepsis Audit	All babies had screening bloods taken and received the appropriate antibiotics at the correct dose. Continued teaching sessions at the beginning of each rotation into paediatrics to explain the EONS guideline and the importance of antibiotics within the first hour. GP trainees/ new ST1s are encouraged to attend clinical skills session for insertion of cannulas in neonates
Renal Medicine: Acute Kidney Injury NICE Guidance Audit	Improvement in urinalysis rates. All AKI cases requiring USS scanning had a timely request in place. AKI is taught regularly on FY1/FY2 and new starters program.
Pathology: Familial Hypercholesterolemia NICE Guidance Audit	All patients included in this audit were receiving high-intensity statins as recommended by NICE
Elderly Care: Bed Rails Audit	Patients are being assessed for bed rails in all areas across the Trust. Education around the bed types available for the patients has been incorporated into the falls training and policy.

Gastroenterology: Management of Acute Upper Gastrointestinal Bleeding NICE Guidance Audit	Endoscopic management was demonstrated as good. All patients were communicated with regarding their care, a quarter of relatives were also involved in discussions. Education has been provided for junior doctors to record Blatchford and Rockall scores, appropriate medical management of variceal and non-variceal upper gastrointestinal bleeding. The Introduction of new EAU clerking booklet to ensure better communication with relatives of patients admitted with UGIB and that written information is provided and documented.
Palliative Care: Audit of AMBER Implementation	A review into the use of the AMBER Care Bundle was undertaken, informed by the results of the audit with an initial recommendation that the process for identifying and managing uncertainty in the Trust is undertaken by the Trust End of Life Action Plan Group. Following further discussions with executive team and the Deteriorating Patient Group, the importance of identifying and managing uncertainty was acknowledged and in the future this will be addressed by the Deteriorating Patient Working Group.
Anaesthetics: Epidural response times	The audit showed an improvement in performance compared to the previous audit completed in April 2016. Results were disseminated at the governance audit meeting and teaching for the junior doctors around this guidance took place, the information was also distributed in the obstetric staff newsletter
Obstetrics: Audit of Vaginal Deliveries	All patients received a CTG to monitor fetal wellbeing prior to the siting of the regional epidural anaesthesia. Where a paediatrician was required 100% requested the correct grade to review the patient The audit has continued as an on-going audit with the random selection of one case per month from the birth register, to be reviewed by the multidisciplinary team at the maternity SIRS meeting and reported to the Maternity Quality Governance meeting provided annually.
Paediatrics: Audit of Readmissions to the Children's Ward of Babies up to 28 days of age	All babies admitted with poor feeding or weight loss were given a clinical feeding plan by the medical team Training sessions for Children's ward staff led by the Specialist Midwife for Infant Feeding (SPMW). Current guidelines revised to comply with BFI standards.
Pharmacy: Audit on the Quantity and Quality of Outpatient Medication Referral / Prescriptions Forms 2016	to improve awareness amongst patients and healthcare professionals about the about the legal requirement to show identification when certain types of medication are collected and encourage their engagement with this process; Further education required for pharmacy staff regarding the issuing of controlled drugs for outpatients. Improved quality of patient experience by raising awareness and setting expectations about the need for pharmacy staff to complete identification checks for certain medication.
General Medicine: Bed Rails Audit	The audit results have shown that compliance with assessing patients need for bed rails is positively being undertaken in all areas across the Trust and is reviewed and adopted as per Trust standard in policy. A re-audit of the use of bed rails is planned to determine if compliance continues to the high standard observed during this audit.

Theatres: Efficiency Of Tissue Sampling Following Diabetic Toe Amputations	New protocols released amongst theatres and checklists as reminders for surgeons to send off samples. Compliance was re-audited following implementation of these local protocol/ tools, with an increase to > 95 % shown. Results disseminated at the governance audit meeting, highlighting the vital aspect of effective treatment of diabetic amputees (service improvement and awareness). Further discussions are taking place within the department for implementation of a either stickers or electronically authorised tabs for samples sent (quantity and quality). Re-audit using same tool to ensure continued compliance to the standard.
Diabetes: Medical Team (Out Of Hours) Workload Audit	Nurse rounds should take place before 4pm so the day team can sort out jobs before they leave at 5pm. Use of other staff to minimize jobs e.g. ANP and up-skilling of current staff to do basic tasks e.g. bloods/IV cannula/blood gas. Assess appropriateness of out-of-hour jobs e.g. warfarin dosing/drug chart rewrites etc.
Acute Medicine: Improving the prescribing of Alcohol Withdrawal Regimen in AMU	Alcohol Withdrawal Prescribing Chart has been added to the clinical guideline.
Acute Medicine: Clinical Handover Audit	To ensure that there has been improvement in the handover process, an audit is scheduled during 2018/19.
Stroke Medicine: Prevention of Venous Thromboembolism in Patients who have had a Stroke.	All staff encouraged to fill out the form in its entirety and repeat form when needed. Liaise with VTE team regarding findings and discuss changes to VTE form and protocol, including alternative methods of assessment to improve compliance. Liaise with VTE team regarding changing VTE assessment form to include IPCSs as a recommendation. Re- audit on Forward Plan 2018/19.
Acute/General Medicine: Management of Deep Vein Thrombosis (DVT) In Ambulatory Emergency Care AEC	Radiology provide a fixed number of slots /day for DVT scans to ensure Doppler scans are performed within 24hrs of suspected diagnosis. Electronic GP notification form with scan outcome. Wells' score in electronic Doppler request forms. Re-audit on Forward Plan 2018/19
Obstetrics: Review of elective Caesarean sections Higher than expected rate of caesarean section CQC Alert	A review of case notes has been undertaken by a consultant to confirm that there are no concerns and patient safety has not been compromised. Although the Trust has a higher rate than the national average, there are no issues.
Obstetrics: Oxytocin Audit	Clinical Guideline for Syntocinon has been updated. A separate audit of observations during labour has been undertaken. Training on intrapartum care guidelines for midwifery staff has been introduced. There is a registrar review of all patients being induced, in person, on transfer to DS with documented plan. Re-audit on Plan 2018/19.

Acute Medicine: Adequacy of lumbar puncture documentation	Proforma has been introduced and a re-audit to measure improvement will be undertaken during 2018/19.
Pharmacy: An audit of clinical antibiotic reviews for sepsis patients	Trust using PIP Paediatric guidelines for antibiotics. Electronic alerts on the laboratory system flagging culture results as available. Addition of a sticker to add to culture documentation to prompt antibiotic review, adherence to guidelines and duration defined. Embed the new sepsis scoring tool into clinical practice. Re-audit including patients with no blood cultures.

2.2.3 Research and development (R & D)

The number of patients receiving health services provided or sub-contracted by the Trust in 2017/18 that were recruited during that period to participate in research approved by a research ethics committee was 1,726.

Clinical specialties

Dudley opened its own locally designed and sponsored National Institute for Health Research (NIHR) portfolio study in July 2017, the culmination of two years' hard work led by Dr Julian Sonksen and his team. 'Recovery after Emergency Laparotomy (REmLap): a prospective, observational, feasibility study', is an intensive questionnaire study that follows patients from 48 hours after a major abdominal surgery for up to one year. A number of newly opened interventional trials are also running in anaesthetics/critical care; it has become departmental practice to offer eligible participants involvement in an interventional study and the REmLap study. Since opening, the study has already been audited once by the R&D Department.

The Clinical Research Unit's biomedical scientists continue to recruit to observational studies. During 2017, a second Dudley patient was identified as a carrier of Pompe disease, a rare enzyme disorder. A further two arms of the same umbrella study have now open to recruitment, seeking to identify Gaucher's and Fabry's diseases amongst patients with abnormal blood test results. Identification of individuals will allow them to receive an explanation for their symptoms; carriers will receive genetic counselling.

A current NIHR malignant haematology pilot study is seeking to identify whether giving blood transfusions to keep haemoglobin levels higher in adults with acute myeloid leukaemia receiving intensive chemotherapy will improve patients' overall quality of life. Dudley has already recruited its target of three participants; a larger study is expected to follow.

Training and infrastructure

Dr Gail Parson's appointment as deputy R&D director in 2017 has provided impetus for research initiated by allied health professionals, nurses and midwives. R&D has established Trust-wide, multidisciplinary research support forums. Drs Liz Hale and Gail Parsons co-chair bi-monthly meetings, providing advice, guidance and opportunities for discussion and direction in terms of clinical studies and approaches to changing practice.

Specialist nurses Trust-wide are gaining improved awareness of studies carried out in their own clinical areas. They assist with recruitment to specific studies and are forming closer working relationships with research nurses and clinical staff.

Research is now included on the Trust-wide patient experience meeting agenda, chaired by the chief nurse. The focus is on awareness of research activity, with regular updates on studies to enhance practice.

The drug secukinumab was licensed for use in a number of dermatological conditions during 2017. Dudley dermatology research nurses have acquired considerable experience of the drug during clinical trials since 2011 and were, therefore, recognised as the local experts. They now provide patient education for all dermatology patients starting treatment on the drug.

Good Clinical Practice workshops continue to be provided for staff involved in research studies. A shorter training module, Good Clinical Practice Fundamentals, aimed at staff administering study drugs and surgical/diagnostic interventions, commenced in August 2017. These are short, one-hour training sessions which can then be delivered by an appropriate person in the ward/ department. Generic sessions are tailored for clinical staff and for

laboratory staff, depending on their role in a study. Experience indicates that workshops are best received when elements of training for current and upcoming studies are incorporated into the generic training. The Neonatal Unit is the first location to provide such training to staff.

The R&D administration team continue to exploit the functionality of the national EDGE database to track the progress of research studies set up and record recruitment to studies. The admin team train new researchers in the use of EDGE as a recruitment tool. It also serves a repository for research training records and delegation logs. Two members of Trust staff, one from the Finance Department, shared attendance at the two-day 2018 EDGE conference in Birmingham to take full advantage of the workshops and networking opportunities on offer. The Trust also exhibited a poster at the conference, explaining how we use the database for reporting purposes.

An audit programme of research studies is now running to improve all aspects of research quality.

A bulletin of clinical research learning points is now being published and disseminated amongst all the Trust's research nurses. This monthly communication helps to spread good practice and can be produced by individual support departments as well as R&D leads.

Research is now incorporated into the student nurse placement programme as a means of introducing research into the nurse training programme. Students now spend a week in the department, shadowing the research nurses and receiving introductory information from administration staff regarding project site set up and maintenance. The scheme is coordinated by two Band 6 research nurses.

Public engagement

R&D is now actively involving The Dudley Group's NIHR research ambassador in feasibility assessment for new research projects. This provides us with valuable feedback on studies from the patient's perspective. A second research ambassador has now stepped forward and we look forward to her input once training is completed.

Research into practice

The improved control of the symptoms of psoriasis by the drug secukinumab observed during commercial clinical trials means that Dudley dermatologists were among the first to prescribe secukinumab for their patients when the drug received its marketing authorisation in 2017.

The vascular team opted to recruit to the Midlands acute kidney injury observational study (MARI AKI) as a means of promoting improved clinical care.

Following the success of the CONCEPTT trial, which looked at the suitability of continuous glucose monitoring (CGM) for pregnant women living with Type 1 diabetes, the Diabetes Centre has now purchased its own devices. The wearers download data weekly and a small 'technology MDT group' monitors the women remotely. Additionally, the CGM service is now offered to women with T1DM as pre-conception care.

Research conducted in the rheumatology department has also contributed to (inter)national guidelines: both 2017 EULAR recommendations for cardiovascular disease management in rheumatic diseases and the NRAS 'Love your Heart' interactive website incorporate recommendations on lifestyle modification based on research conducted solely in Dudley. Work co-led by Dudley investigators also informs the latest specialist recommendations on the use of cardiac magnetic resonance imaging in the diagnosis and management of people with rheumatic disease.

Publications

Trust publications for the calendar year 2017, including conference posters, stand at 116.

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 2017/18 was conditional upon achieving quality improvement and innovation goals agreed between the Trust and any person or body they 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 2017/18 and for the following twelve month period are available electronically at: https://www.england.nhs.uk/nhs-standard-contract/cquin/

The value of CQUINs is based on 2.5% of our activity outturn which equates to a potential income of £6,463,083. A total of twelve CQUIN schemes were agreed with a combination of locally and nationally agreed goals with associated milestones. At the end of the financial year, it is forecast that we will achieve the majority of the indicators. For example, we have:

- achieved the national target set for vaccinating frontline staff against flu
- removed unhealthy drinks and snacks from our restaurants and retail outlets
- met targets for screening patients for serious infections and reviewing their antibiotics
- implemented advice and guidance for GPs to ensure patients receive the right care in the right setting
- met the target of 100% of our services being available for electronic referral
- reviewed and improved our discharge pathways for patients aged over 65 years
- provided advice to patients who would benefit from advice on lifestyle changes (for example, patients that smoke)
- reviewed patients who access our dental services and treated patients as outpatients (rather than day case patients) where appropriate
- raised awareness of aortic aneurysm screening for males to improve the number of patients accessing screening services
- reduced the amount of medicines wasted across the Trust

However, the indicators where we have not achieved our targets are listed below. Mitigating actions have been put in place for 2018/19. These include:

- improving the health and wellbeing services available for staff to address concerns relating to work-related stress and musculoskeletal problems raised through the staff survey
- improving the initial administration of antibiotics for patients where an infection is identified and ensuring an overall reduction in patient antibiotic consumption. Therefore, we will receive part payment of this CQUIN and will continue to develop and implement our improvement plan for this in 2018/19
- ensuring that patients with mental health issues are identified and their care plans are reviewed to prevent attendance at A&E. New processes will be put in place in 2018/19
- monitoring the number of patients that are waiting for appointments to reduce the numbers of people waiting and the length of time they wait. We have plans to ensure all specialties are compliant with this CQUIN in 2018/19
- reviewing our use of a national database for reporting administration of cancer drugs

The final CQUIN settlement figure for 2017/18 has not yet been agreed. However, for the purpose of the year-end accounts, the Trust is assuming this will equate to an estimated 88% which is approximately £5.9m. In 2016/17, the final figure received was £5.5m.

CQUINs 2017/18

The achievement to date of CQUINs for 2017/18 have been rated on a RAG (red/amber/green) as detailed in the tables below:

Acute and community 2017/18

Goal No.	CQUIN targets and topics	Quality domains	RAG
1	NHS staff health and well-being	Effectiveness	🟩
2	Timely identification and treatment of Sepsis, and Antimicrobial Resistance	Safety Effectiveness	🟧
4	Improving services for people with mental health needs who present to A&E	Safety Effectiveness	🟧
6	Advice and guidance	Effectiveness	🟧
7	E-referral consultant review process	Effectiveness	🟧
8	Supporting proactive and safe discharge	Effectiveness	🟧
9	Preventing ill health by risky behaviours – alcohol and tobacco screening, advice, and referral	Effectiveness	🟩

NHS England Specialised services, Public Health & Dental 2017/18

Goal No.	CQUIN targets and topics	Quality domains	RAG
1	AAA screening – improving access and uptake	Effectiveness	🟩
2	Secondary care clinical attachment in oral surgery	Effectiveness	🟩
GE3	Hospital medicines optimisation	Effectiveness	🟩
WC5	Neonatal community outreach	Safety Effectiveness	🟩

🟩 Achieved

🟧 Partially achieved

🟥 Not Achieved

CQUINs 2018/19

The estimated value of CQUINs for 2018/19 is approximately £6.9m. £4.1m of our CQUIN value for 2018/19 will be apportioned to achieving the eleven indicators listed below. The remainder is focused on our engagement with the local Sustainability and Transformation Plan (STP) and delivery of financial balance across local health economies.

Acute and community 2018/19

Goal No.	CQUIN targets and topics	Quality domains
1	NHS staff health and well-being	Effectiveness
2	Timely identification and treatment of Sepsis, and Antimicrobial Resistance	Safety Effectiveness
4	Improving services for people with mental health needs who present to A&E	Safety Effectiveness
6	Advice and guidance	Effectiveness
7	E-referral consultant review process	Effectiveness
8	Supporting proactive and safe discharge	Effectiveness
9	Preventing ill health by risky behaviours – alcohol and tobacco screening, advice, and referral	Effectiveness

NHS England Specialised services, Public Health & Dental 2018/19

Goal No.	CQUIN targets and topics	Quality domains
1	AAA screening – improving access and uptake	Effectiveness
2	Secondary care clinical attachment in oral surgery	Effectiveness
GE3	Hospital medicines optimisation	Effectiveness
WC5	Neonatal community outreach	Safety 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 CQC has taken enforcement action against the Trust during 2017/18. This took the form of serving two Section 31 notices but neither placed any restrictions on the Trust's licence. It required the Trust to send enhanced assurance over aspects of urgent and services which the Trust has done on a weekly basis and therefore the Trust is compliant with the registration requirements of the CQC. The Trust has not participated in any special reviews or investigations by the Care Quality Commission during the reporting period.

The Trust was inspected by the CQC in December 2017/January 2018. The CQC issued its report on this inspection in April 2018. This report rated the Trust overall as 'Requires Improvement'. In arriving at this overall assessment the CQC assessed 44 elements within five areas (see charts below and over the page). Of the 44 elements, 27 were rated as 'Good' which meant that in the service rating for medical care, maternity and community services the Trust was in fact rated as 'Good'. The CQC also reconfirmed the 'Good' ratings for surgery, outpatients and end of life although these were not subject to a detailed inspection between December 2017 and January 2018. For the service areas where the Trust was rated as 'Inadequate' or 'Requires improvement', a

detailed action plan was put in place. The monitoring of the delivery of this improvement plan will be reported to the Board and the Clinical Quality, Safety and Patient Experience Committee as well as providing formal feedback to the CQC itself. In order to support the Board's continued review of the Trust's compliance with the CQC's requirements, the Trust has continued with its regular internal quality and safety reviews (see Section 3.3.2). These involve a multi-disciplinary team, including members of our Council of Governors and representatives of the Dudley Clinical Commissioning Group's Quality Team, visiting clinical areas 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 disseminated 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.

Both a summary and full report of that inspection has been published and is available at www.cqc.org.uk/provider/RNA

Ratings for the whole trust

Safe	Effective	Caring	Responsive	Well-led	Overall
Requires improvement ➔← Apr 2018	Requires improvement ↓ Apr 2018	Good ➔← Apr 2018	Requires improvement ➔← Apr 2018	Requires improvement ↓ Apr 2018	Requires improvement ➔← Apr 2018

The rating for well-led is based on our inspection at trust level, taking into account what we found in individual services. Ratings for other key questions are from combining ratings for services and using our professional judgement.

Ratings for Russells Hall Hospital

	Safe	Effective	Caring	Responsive	Well-led	Overall
Urgent and emergency services	Inadequate ↓↓ Apr 2018	Requires improvement Apr 2018	Requires improvement ↓ Apr 2018	Requires improvement →← Apr 2018	Inadequate ↓ Apr 2018	Inadequate ↓ Apr 2018
Medical care (including older people's care)	Good →← Apr 2018	Good →← Apr 2018	Good →← Apr 2018	Good →← Apr 2018	Good →← Apr 2018	Good →← Apr 2018
Surgery	Good Mar 2014	Good Mar 2014	Good Mar 2014	Good Mar 2014	Good Mar 2014	Good Mar 2014
Critical care	Requires improvement →← Apr 2018	Requires improvement ↓ Apr 2018	Good →← Apr 2018	Requires improvement →← Apr 2018	Requires improvement ↓ Apr 2018	Requires improvement →← Apr 2018
Maternity	Good Apr 2018	Requires improvement Apr 2018	Good Apr 2018	Good Apr 2018	Good Apr 2018	Good Apr 2018
Services for children and young people	Requires improvement ↓ Apr 2018	Requires improvement ↓ Apr 2018	Good →← Apr 2018	Requires improvement ↓ Apr 2018	Requires improvement ↓ Apr 2018	Requires improvement ↓ Apr 2018
End of life care	Requires improvement Mar 2014	Good Mar 2014	Good Mar 2014	Good Mar 2014	Good Mar 2014	Good Mar 2014
Outpatients	Good Mar 2014	N/A	Good Mar 2014	Requires improvement Mar 2014	Good Mar 2014	Good Mar 2014
Overall*	Requires improvement →← Apr 2018	Requires improvement ↓ Apr 2018	Good →← Apr 2018	Requires improvement →← Apr 2018	Requires improvement →← Apr 2018	Requires improvement →← Apr 2018

*Overall ratings for this hospital are from combining ratings for services. Our decisions on overall ratings take into account the relative size of services. We use our professional judgement to reach fair and balanced ratings.

Ratings for community health services

	Safe	Effective	Caring	Responsive	Well-led	Overall
Community health services for adults	Good Apr 2018	Good Apr 2018	Good Apr 2018	Requires improvement Apr 2018	Good Apr 2018	Good Apr 2018
Overall*	Good Apr 2018	Good Apr 2018	Good Apr 2018	Requires improvement Apr 2018	Good Apr 2018	Good Apr 2018

2.2.6 Quality of data

The Trust submitted records during 2017/18 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	99.9%	99.4%
Outpatient care	99.9%	99.5%
Accident and emergency care	99.4%	97.3%

The percentage of records in the published data which included the patient's valid General Medical Practice Code

	The Dudley Group	National average
Admitted patient care	100%	99.9%
Outpatient care	100%	99.8%
Accident and emergency care	100%	99.3%

All above figures are for April 2017 to Jan 2018.

The Trust's Information Governance Assessment Report, version 14.1, overall score for 2017/18 was 72% and was graded 'Green', 'Satisfactory' and Level 2 compliant.

The Trust was not subject to the Payment by Results clinical coding audit during 2017/18.

This year, two data protection incidents were reported to the Information Commissioner (ICO). One incident involved inappropriate access to patient information by one individual; the other involved the theft of a container of mixed paper waste. For each incident, a full investigation was undertaken in accordance with the Trust's incident management policy and procedures.   The learning from these incidents has been shared widely within the Trust and its PFI partners. Both the ICO and our commissioners have been engaged during our investigation process and are satisfied that we acted swiftly and appropriately, including disciplining staff involved, engaging with the affected patients during our investigation and including making swift and full apologies through the application of the Trust's Duty of Candour processes. These incidents have now been closed by the Information Commissioner's Office.

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).

Learning lessons:

All cupboards containing Adrenaline 1:1000 are now clearly labelled and confirmation has been received of where in the Trust this dose of adrenaline is placed. Teaching on anaphylaxis has been revisited to ensure that primary treatment and secondary treatment is a key indicator in all lesson plans when delivering medical sessions.

2.2.7 Learning from deaths

1. During 2017/18, 1,801 of the Trust's patients died. This comprised the following number of deaths that occurred in each quarter of that reporting period: 408 in the first quarter; 387 in the second quarter; 427 in the third quarter; 579 in the fourth quarter.

2. By the 31st March 2018, 1,425 case record reviews and 62 investigations have been carried out in relation to 1,801 of deaths included above.

In 62 cases, a death was subjected to both a case record review and an investigation. The number of deaths in each quarter for which a case record review or an investigation was carried out was: 364 in the first quarter; 322 in the second quarter; 426 in the third quarter; 313 in the fourth quarter.

3. Fifteen, representing 0.83% of the patient deaths during the reporting period are judged to be more likely than not to have been due to problems in the care provided to the patient.

In relation to each quarter, this consisted of: 2 representing 0.49% for the first quarter; 2 representing 0.51% for the second quarter; 3 representing 0.74% for the third quarter; 8 representing 1.55% for the fourth quarter.

These numbers have been estimated using a) The Trust's mortality review process which includes an initial (Level 1) peer review of all deaths by the department concerned using a standard questionnaire which may lead to a Level 2 review performed by a mortality panel using a structured case note review data collection as recommended by the National Mortality Case Record Review Programme b) Coroner Rule 28 cases when making recommendations about future care and c) root cause analysis reports following investigations if a death is reported as a serious incident if that is clinically appropriate (e.g. death potentially avoidable).

4. A summary of what the provider has learnt from case record reviews and investigations conducted in relation to the deaths identified above.

The Trust has identified the following learning:

- For patients with head injuries, the need for more effective two-way communication with and from the tertiary specialist centre, and to ensure that all appropriate users have access to the system.
- Following a septicaemia case, the need for more timely identification and treatment.
- After an surgical delay, a review of the pathway was undertaken.
- With an incomplete risk assessment for VTE, an improvement in the recording of the assessment was identified.
- For palliative care patients, the need to review the investigations undertaken

5. A description of the actions which the provider has taken in the reporting period, and proposes to take following the reporting period, in consequence of what the provider has learnt during the reporting period.

From the cases reviewed, the Trust has taken a number of actions. It has introduced the NORSe (Network of on-call referral service) pathway for neurosurgery. The Trust has also highlighted and suggested optimisation of the process with the tertiary specialist centre.

Following a septicaemia case, it has introduced into the Emergency Department an electronic system of alerting staff to the deteriorating patient, further training for staff and increased audit. The processes involved are also being reviewed and optimised as part of a Trust-wide plan for the management of the deteriorating patient.

It has also strengthened the Emlap pathway, introducing an additional surgical senior registrar on call.

Plans to introduce an electronic VTE assessment process have been undertaken and are well developed as part of the Trust implementation of an electronic patient record. A formal ward round checklist document with specific reference to the VTE has been instigated to further augment existing checks pending the roll out of the EPR.

Considerable work has been undertaken to support earlier identification of patients in the last year of life and to look at the processes involved in optimising care. The aim of identifying palliative and end of life care needs at an earlier stage offers the opportunity to advance care plan and provide an individual plan of care. Work has also been undertaken through education of medical and nursing staff to establish awareness of potentially unnecessary investigations/ interventions at the end of life.

6. An assessment of the impact of the actions described above which were taken by the provider during the reporting period.

At present, as assessment of the impact hasn't been undertaken.

(All of these items (1-9) are new statutory statements to be included for the first time this year. As items 7-9 refer to the 'previous reporting period' (i.e. 2016/17) and 'the relevant document for that previous reporting period' when this reporting was not required these items cannot be completed this year. We will commence to have available data in next year's (2018/19) report.)

7. [Number] case record reviews and [number] investigations completed after [date] which related to deaths which took place before the start of the reporting period.

8. [Number] representing [number as percentage of number in item 1 of the relevant document for the previous reporting period]% of the patient deaths before the reporting period, are judged to be more likely than not to have been due to problems in the care provided to the patient. This number has been estimated using the [name, and brief explanation of the methods used in the case record review or investigation].

9. [Number] representing [number as percentage of number in item 27.1 of the relevant document for the previous reporting period]% of the patient deaths during [the previous reporting period] are judged to be more likely than not to have been due to problems in the care provided to the patient.

2.2.8 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 2016 – Sep 2017**	**Previous reporting period: Jul 2016 – Jun 2017**	**Statements**
Summary Hospital-level Mortality Indicator (SHMI) value and banding	**Value**	**Value**	The Trust considers that this data is as described for the following reasons:
	Trust 0.9975	Trust 1.0027	● The Trust is pleased to note that the Trust's SHMI values are within the expected range
	National average 1	National average 1	
	Highest 1.2473	Highest 1.2277	
	Lowest 0.7270	Lowest 0.7261	The Trust has taken the following action to improve this indicator and so the quality of its services by:
	Banding	**Banding**	
	Trust 2	Trust 2	● Continuing to improve case note reviews of deaths in hospital
	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 27.6%	Trust 28.5%	The Trust considers that this data is as described for the following reasons:
	National average 31.5%	National Average 31.1%	● There is a very robust system in place to check accuracy of palliative care coding
	Highest 59.8%	Highest 58.6%	The Trust has taken the following actions to improve this percentage, and so the quality of its services by:
	Lowest 11.5%	Lowest 11.2%	● Ensuring this percentage will always be accurate and reflect actual palliative care.

Patient Reported Outcome Measures (PROMS)				
Topic and detailed indicators	**Immediate reporting period: 2016/17 Provisional***		**Previous reporting period: 2015/16 Final**	**Statements**
Groin Hernia Surgery	Trust 0.04 National average 0.09 Highest 0.14 Lowest 0.01		Trust 0.07 National average 0.09 Highest 0.16 Lowest 0.02	The Trust considers that this data is as described for the following reasons: ● Using feedback data (from NHS Digital) 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: ● Hip replacement: 97% *(national = 95%),* ● Patients that described the results of their operation as good, very good or excellent: ● Groin hernia: 93% *(national = 93%),* ● Knee replacement: 82% *(national = 86%),* ● Varicose veins: 90% *(national = 85%).*
Varicose Vein Surgery	Trust 0.13 National average 0.09 Highest 0.15 Lowest 0.01		Trust 0.04 National average 0.10 Highest 0.15 Lowest 0.00	
Hip Replacement Surgery	Trust 0.45 National average 0.44 Highest 0.54 Lowest 0.31		Trust 0.44 National average 0.44 Highest 0.52 Lowest 0.32	
Knee Replacement Surgery	Trust 0.32 National average 0.32 Highest 0.40 Lowest 0.24		Trust 0.32 National average 0.32 Highest 0.40 Lowest 0.19	The Trust has taken the following actions to improve these scores, and so the quality of its services by: ● Ensuring the Trust regularly monitors and audits the pre and postoperative healthcare of all patients. Surgical operative outcomes are consistently of high quality and safety, with excellent patient satisfaction for these procedures.

*Groin Hernia and Varicose Vein Data is Final

Patient Quote:

"I spent several days in the Coronary and Post-coronary Care Units. I really cannot praise the staff enough-nothing is too much trouble. They are such a dedicated team and Russells Hall Hospital should be so proud of them."

Readmissions				
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	The Trust considers that this data is as described for the following reasons: • since the only national published figures (see across) are historical, we have looked at our latest locally available (pre-published) data. (Aged 16 and over: 2012/13 10.2%, 2013/14 9.9%, 2014/15 7.69%, 2015/16 8.02%, 2016/17 8.43%, 2017/18 ytd. 7.35%**); (Age 0-15: 2012/13 10.3%, 2013/14 9.7% 2014/15 10.05%, 2015/16 10.21%, 2016/17 10.85%, 2017/18 ytd. 9.02%**)
	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	The Trust intends to take the following actions to improve these percentages, and so the quality of its services: • Adults: continue to review and develop our ambulatory care facilities in medicine and surgery and review clinical pathways and outpatient rapid access. • Children: review our assessment processes for those that require a specialist paediatric assessment and work with commissioners to develop services for those patients requiring on going CAMHS support and embed a community paediatric service
	National average	11.45	National average	11.42	
	Highest	NA*	Highest	NA*	
	Lowest	NA*	Lowest	NA*	

*comparative figures not available. **2017/18ytd. = April 2017 to November 2017*

Responsiveness to inpatients' personal needs				
Topic and detailed indicators	**Immediate reporting period: 2016/17**		**Previous reporting period: 2015/16**	**Statements**
Average score from a selection of questions from the National Inpatient Survey measuring patient experience **(Score out of 100)**	Trust	61.8	Trust	67.4	The Trust considers that this data is as described for the following reasons: • the Trust is disappointed that this indicator remains lower than the national average. The Trust intends to take the following actions to improve this score, and so the quality of its services: • appointed a dedicated Head of Patient Experience to focus on the development and monitoring of trust- wide actions
	National Average	67.79	National average	69.6	
	Highest	86.2	Highest	86.2	
	Lowest	54.4	Lowest	58.9	

Staff views				
Topic and detailed indicators	**Immediate reporting period: 2017**		**Previous reporting period: 2016**	**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	70%	Trust	72%	The Trust considers that this data is as described for the following reasons: ● the Trust is disappointed there has been a decrease in the percentage of staff who would recommend the Trust as a place to receive treatment. The Trust intends to take/has taken the following actions to improve this percentage, and so the quality of its services by: ● 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.
	National average	69%	National average	68%	
	Highest	Not yet available	Highest	Not known	
	Lowest	Not yet available	Lowest	Not known	

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 2017**		**Previous reporting period: Q2 Jul – Sep 2017**	**Statements**
Percentage of admitted patients risk-assessed for Venous Thromboembolism	Trust	93.78%	Trust	94.40%	The Trust considers that this data is as described for the following reasons: ● the Trust is pleased to note that it is near the national average in undertaking these risk assessments. The Trust intends to take the following actions to improve this percentage, and so the quality of its services by: ● continuing the educational sessions with each junior doctor intake ● continuing with a variety of promotional activities to staff and patients
	National average	95.30%	National average	95.21%	
	Highest	100%	Highest	100%	
	Lowest	76.08%	Lowest	71.88%	

Infection Control			
Topic and detailed indicators	**Immediate reporting period: 2016/17**	**Previous reporting period: 2015/16**	**Statements**
Rate of Clostridium difficile per 100,000 bed days amongst patients aged 2 or over	Trust 13.5 National average 13.2 Highest 82.7 Lowest 0	Trust 18.5 National average 14.9 Highest 67.2 Lowest 0	The Trust considers that this data is as described for the following reasons: • The data included is for the total number of trust apportioned C. difficile cases identified within any acute Trust. This number does not take into account avoidability assessments. The rate has improved since last year, approaching the national average in the context of many trusts with worsening figures (note highest rate nationally has increased from 67.2 to 82.7 per 100,000 bed days in patients over 2 years of age). The Trust intends to take/has taken the following actions to improve this rate, and so the quality of its services: • the process for reviewing individual C. diff cases is continuing using the new avoidability tool introduced in 2017. • The well-functioning antimicrobial guidelines have continued to be updated to reflect national objectives including reductions in carbapenem and piperacillin tazobactam useage, which the Trust is achieving. • Treatment protocols for C. diff continue to be updated to ensure they reflect current evidence-based practice.

	Clinical incidents			
Topic and detailed indicators	**Immediate reporting period: Apr 2017 – Sept 2017**		**Previous reporting period: Oct 2016 – Mar 2017**	**Statements**
Rate of patient safety incidents (incidents reported per 1000 bed days) (Comparison is with 136 acute trusts)	Trust	37.02 (number 4344)	Trust	38.4 (number 4820)	The Trust considers that this data is as described for the following reasons:
	Average	42.84	Average	41.10	• As organisations that report more incidents usually have a better and more effective safety culture, the Trust notes it has maintained average reporting rate and its severe incidents are in line with the national average.
	Highest	111.69	Highest	68.97	
	Lowest	23.47	Lowest	23.13	The Trust has taken the following actions to improve this rate and the numbers and percentages, and so the quality of its services:
	Trust	0% (number 0)	Trust	0.1% (number 4)	• Continued focus on the dissemination of learning from incidents especially serious incidents to seek to reduce the likelihood of similar incidents occurring elsewhere in the Trust.
Percentage of patient safety incidents resulting in severe harm or death	National average	0.1%	National average	0.1%	• Investment has continued across the year on training staff on incident investigations to enable them to focus on the root cause of the incident and, therefore, develop better actions plans.

In addition to the above indicators, NHS England has requested that the Trust includes the latest results of the two following questions that are asked as part of the National Staff Survey:

Staff Survey Results					
2017					
Percentage of staff experiencing harassment, bullying or abuse from staff in the last twelve months	Trust	21%	**Percentage of staff believing that Trust provides equal opportunities for career progression or promotion**	Trust	85%
	National average	24%		National Average	85%

2.2.9 Seven day hospital services

The Trust has taken a number of actions to ensure it is working towards providing services in line with this national initiative. In particular, it has increased the number of consultant ward rounds in a number of specialities so patients are seen by senior decision makers at weekends. There has been increased senior medical cover at weekends in the acute medical admission area of the Trust. Vascular interventional radiology is now available 24 hours, seven days a week. The Trust has also been working with local partners at Wolverhampton, Walsall and Sandwell and Birmingham so that all other non-invasive interventional radiology will shortly be available on a similar basis.

> **Patient Quote:**
>
> "Their compassion and willingness to go the extra mile and a little more
> is a credit to your service." (Ward C4)

Part 3: Other quality information

3.1 Introduction

The Trust has a number Key Performance Indicator (KPI) reports which are 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 includes 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 (see section 3.3.5) 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 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.
- **Patient Safety and Experience Bulletin:**
  This commenced in 2017 and consists of a weekly email sent to all staff on a wide range of topical subjects that have arisen from local incidents and national initiatives. Examples of issues covered include diabetes care, malnutrition in hospital and correct usage of oxygen cylinders.

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 NHS Improvement, the 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

<table>
<tr><td>

How do patients share feedback?

Online

Mobile phone

Over the phone

On paper

Face to face

National surveys

</td><td>

We gather feedback in a number of ways, some of which are described in other parts of this report (e.g. complaints, concerns, compliments, quality and safety reviews) and some in more detail below:

- Real-time surveys (face-to-face surveys)
- Patient stories
- The Friends and Family Test (FFT)
- NHS Choices and Patient Opinion online reviews
- National surveys including the National Inpatient Survey

Real-time surveys

During the year, 1,618 inpatients participated in our real-time surveys. These surveys complement the Friends and Family Test and the results are reported in a combined report to wards and specialties, allowing them to use valuable 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 and staff stories at the Board of Directors meetings during the year enables the patient voice to be heard at the highest level. These stories are circulated to senior managers and shared with frontline staff and used for service development planning and training purposes.

</td></tr>
</table>

During the year, **social media** usage has expanded to a point where the Trust now has 3,061 Twitter followers and Facebook has accumulated 4,579 'likes' to date. Many more patients and their families are taking to social media to provide. feedback.

As at 12 March 2018

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 64,500 opportunities for us to listen to our patients' views.

Method	Total
FFT – Inpatient (inc. daycase)	24,500
FFT – Emergency department	9,174
FFT – Maternity	5,899
FFT – Community	4,801
FFT – Outpatients	15,232
Community patient experience survey	586
Real-time surveys (inpatient 1,478, AMU 87, maternity 53)	1,618

Method	Total
NHS Choices/Patient Opinion	215
National surveys Maternity 2017	100
National surveys Adult Inpatient 2017	448
National survey Emergency Department 2016*	307
National survey Childrens and Young peoples 2016*	250
Inpatient food surveys	1,394
Discharge surveys	85
Bereavement surveys	238

Data not available for inclusion in 2016/17 annual report

Friends and Family Test (FFT)

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'. The results are published on the national NHS England website. The scores, which are updated monthly, are displayed on our website and prominently in our wards/departments for all patients, staff and visitors to view them.

We also monitor our performance compared to that of our neighbours. This table shows our FFT scores for the period April 2017 to February 2018 (11 months) which indicates our performance compared to our neighbours. Where organisations have collected fewer than five responses, the figures are not published (these are N/A in table).

Inpatients FFT	Apr 17	May 17	Jun 17	Jul 17	Aug 17	Sep 17	Oct 17	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18
Sandwell & West Birmingham	95%	92%	79%	83%	83%	83%	82%	85%	89%	88%	86%	89%
Dudley Group	96%	96%	97%	96%	96%	96%	95%	95%	95%	94%	95%	94%
Royal Wolverhampton	94%	92%	92%	92%	90%	93%	93%	91%	92%	92%	91%	90%
Walsall	96%	94%	96%	95%	97%	94%	95%	92%	91%	93%	97%	94%
Worcester Acute	97%	97%	97%	97%	95%	95%	95%	97%	94%	95%	95%	94%
National average	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%
A&E FFT	Apr 17	May 17	Jun 17	Jul 17	Aug 17	Sep 17	Oct 17	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18
Sandwell & West Birmingham	75%	71%	73%	72%	75%	72%	73%	73%	73%	75%	86%	75%
Dudley Group	75%	76%	79%	77%	73%	76%	84%	80%	77%	74%	76%	75%
Royal Wolverhampton	87%	84%	82%	83%	85%	84%	83%	81%	82%	82%	91%	82%
Walsall	74%	73%	77%	76%	77%	75%	73%	76%	77%	75%	97%	76%
Worcester Acute	88%	93%	91%	88%	85%	88%	91%	92%	86%	79%	95%	74%
National average	87%	87%	88%	86%	87%	87%	87%	87%	85%	86%	85%	84%

Maternity Antenatal FFT	Apr 17	May 17	Jun 17	Jul 17	Aug 17	Sep 17	Oct 17	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18
Sandwell & West Birmingham	88%	90%	N/A	90%	50%	90%	93%		75%	N/A	N/A	100%
Dudley Group	100%	99%	96%	99%	100%	97%	99%	89%	97%	91%	96%	98%
Royal Wolverhampton	100%	100%	88%	N/A	N/A	N/A	n/a		N/A	N/A	N/A	N/A
Walsall	67%	71%	93%	82%	88%	88%	73%		80%	97%	N/A	81%
Worcester Acute	98%	100%	98%	96%	99%	96%	90%		100%	96%	99%	99%
National average	97%	96%	97%	96%	96%	97%	96%		97%	97%	97%	97%
Maternity Birth FFT	**Apr 17**	**May 17**	**Jun 17**	**Jul 17**	**Aug 17**	**Sep 17**	**Oct 17**	**Nov 17**	**Dec 17**	**Jan 18**	**Feb 18**	**Mar 18**
Sandwell & West Birmingham	82%	83%	69%	76%	58%	48%	83%		N/A	94%	97%	100%
Dudley Group	99%	99%	98%	99%	99%	98%	99%	97%	99%	98%	99%	97%
Royal Wolverhampton	100%	100%	100%	90%	100%	86%	92%		95%	92%	99%	95%
Walsall	95%	95%	100%	95%	100%	88%	89%		83%	100%	100%	100%
Worcester Acute	100%	100%	100%	100%	100%	100%	100%		100%	96%	96%	98%
National average	96%	97%	97%	96%	96%	96%	96%		97%	97%	97%	97%
Maternity Postnatal FFT	**Apr 17**	**May 17**	**Jun 17**	**Jul 17**	**Aug 17**	**Sep 17**	**Oct 17**	**Nov 17**	**Dec 17**	**Jan 18**	**Feb 18**	**Mar 18**
Sandwell & West Birmingham	91%	91%	73%	73%	81%	84%	89%		74%	N/A	97%	100%
Dudley Group	98%	91%	99%	98%	96%	98%	98%	96%	98%	100%	100%	99%
Royal Wolverhampton	90%	86%	76%	84%	85%	N/A	96%		100%	94%	98%	94%
Walsall	63%	95%	92%	65%	83%	92%	100%		85%	97%	100%	96%
Worcester Acute	95%	98%	98%	96%	99%	98%	98%		95%	97%	96%	100%
National average	95%	95%	95%	94%	94%	94%	94%		94%	95%	95%	95%
Maternity Postnatal Community FFT	**Apr 17**	**May 17**	**Jun 17**	**Jul 17**	**Aug 17**	**Sep 17**	**Oct 17**	**Nov 17**	**Dec 17**	**Jan 18**	**Feb 18**	**Mar 18**
Sandwell & West Birmingham	N/A	N/A	N/A	N/A	N/A	N/A	N/A		N/A	N/A	N/A	N/A
Dudley Group	100%	100%	100%	100%	97%	100%	100%	100%	100%	100%	100%	100%
Royal Wolverhampton	100%	95%	100%	100%	N/A	N/A	N/A		N/A	N/A	N/A	N/A
Walsall	70%	100%	N/A	89%	71%	100%	87		100%	99%	100%	98%
Worcester Acute	100%	100%	94%	100%	100%	100%	100%		100%	100%	100%	97%
National average	98%	98%	100%	98%	98%	98%	98%		98%	98%	98%	98%

Please note that NHS England have not supplied the datasets for Maternity services in November 2017. Awaiting March results.

Community	Apr 17	May 17	Jun 17	Jul 17	Aug 17	Sep 17	Oct 17	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18
Sandwell & West Birmingham	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dudley Group	94%	96%	97%	98%	98%	97%	95%	96%	96%	96%	97%	97%
Royal Wolverhampton	90%	86%	89%	90%	86%	89%	89%	91%	91%	87%	91%	91%
Walsall	99%	98%	97%	97%	98%	97%	97%	99%	99%	97%	99%	97%
Worcester Acute	98%	97%	97%	97%	95%	95%	96%	96%	96%	96%	97%	97%
National average	96%	96%	96%	96%	96%	95%	95%	96%	96%	95%	96%	95%

Outpatients	Apr 17	May 17	Jun 17	Jul 17	Aug 17	Sep 17	Oct 17	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18
Sandwell & West Birmingham	90%	98%	88%	91%	89%	89%	91%	92%	90%	92%	88%	91%
Dudley Group	95%	95%	92%	95%	93%	92%	91%	90%	93%	92%	89%	92%
Royal Wolverhampton	93%	93%	94%	94%	93%	93%	93%	93%	94%	94%	94%	93%
Walsall	91%	90%	91%	91%	90%	91%	91%	90%	91%	91%	91%	92%
Worcester Acute	95%	94%	94%	94%	94%	94%	95%	95%	91%	92%	92%	92%
National average	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%

Awaiting March results

NHS Choices and Patient Opinion

Patients can give feedback about their experience of any of our services on the NHS Choices and Care Opinion (formerly Patient Opinion) websites. Patients can post comments anonymously or choose to give their name. All comments are responded to online.

In the year 2017/18, the Trust 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. The average star rating for each of the Trust sites was 4.0 stars or better. More than 58 per cent all comments received have been positive.

Overall star ratings as per NHS Choices website as at 05 February 2018		
Location	**Overall star rating**	
Russells Hall Hospital	★★★★☆	4 stars based on 281 ratings (unchanged)
Corbett Outpatient Centre	★★★★☆	4 stars based on 29 ratings (4.5 stars in Q2)
Guest Outpatient Centre	★★★★☆	4 stars based on 9 ratings (4.5 stars in Q2)
The Dudley Group (no location specified)	★★★★☆	4 stars based on 13 ratings (unchanged)

Patient Quote:

"We attended the new Emergency Department and just wanted to give you a positive feedback especially due to all the negatives around. Our score would be 10 out of 10…brilliant!"

3.2.3 National survey results

In 2017/18, the results of the following national patient surveys were published:

Participants for all national surveys are selected against the sampling guidance issued by the Care Quality Commission (CQC) for the months indicated in the table below:

Survey name	Survey sample month	Trust response rate	National average response rate
2016 Children and Young People's Survey	Sept - Oct 2016	20%	26%
2016 Emergency Department Survey	October 2016	25%	26%
2016 Cancer Patient Experience Survey	April – June 2016	67%	67%
2017 Women's Experiences of Maternity Services	February 2017	34%	37%

What the results of the surveys told us

Children's and Young People's Survey 2016
The national results were published in November 2017 which highlighted where improvement was needed. We were identified in the Care Quality Commission outliers report as performing 'worse than expected' for the 0-7 age group and 'as expected' for the 8-15 age group compared to other trusts within the survey. The Trust's core service rating was 'Good'.   An action plan has been developed and is being monitored.

Emergency Department Survey 2016
The national results were published in October 2017 by the CQC reporting that we had scored 'about the same' as most other trusts for 27 out of 29 questions asked in the survey.   Analysis of the results has been completed and actions taken for improvement.

The Trust's overall Patient Experience Score for this survey was 75 compared to the national average of 78.2.   We rank 106 out of 137 trusts where the highest score was 83.6 and the lowest score was 71.1. The outliers report has also been published to which we do not feature as we are 'about the same' as other trusts.

Cancer Patient Experience Survey 2016
This National Cancer Patient Experience Survey 2016 was commissioned and managed by NHS England and is the sixth iteration of the survey. The Trust received a 67 per cent response rate which was the same as the national response rate of 67 per cent.

Scores were provided for 52 questions that relate directly to patient experience. The Trust's performance was comparable to national results.

Women's Experiences of Maternity Services 2017
The CQC published the results of the 2017 Women's Experiences of Maternity Services survey in January 2018 which sampled women who had given birth during January 2017. The Trust response rate was 34.1 per cent based on 100 women completing the survey. The national response rate was 37.4 per cent.

The total number of questions requiring subjective responses totalled 51. The Trust scores had improved when compared to 2015 results on 27 questions, were worse for 15 and were the same for 3. Four of the questions were new to 2017.

Overall we were rated as 'about the same' as other trusts for the questions relating to labour and birth, staff during labour and birth and care in hospital after birth.

Acting on feedback received
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 in the year.

You said	We have
It would be good to have free parking when attending for a chemotherapy appointment	Increased number of parking passes to enable patients undergoing chemotherapy to park for free
It would be helpful to receive a reminder of when my next appointment is due	Implemented an appointment reminder service with a reply option if patients need to tell us that they are no longer able to attend
We want to spend more time with our partner after the birth of our baby	Extended the maternity ward visiting hours from 9pm to 10pm
There should be more options of where MRI and CT scans can be completed	Expanded the imaging facilities at the Guest Outpatient Centre to include CT and MRI scanning
Performance information needed to be clearly displayed on each ward area for both staff and patients to see	Installed new information boards in prominent locations on each ward displaying quality performance information
Wheelchairs are more easily available when visiting the hospital	Raised funds as part of the fundraising campaign 'The Big Push' in conjunction with the local Dudley News and have provided 50 new wheelchairs for the Russells Hall Hospital site
Those with a hearing impairment cannot always hear when they are being called to come through for their appointment	Expanded the provision of vibrating pagers/bleeps to more outpatient and Emergency Department areas
It would be good to have an on line community to support new mums	Established a closed Facebook user group which provides information and networking/support opportunities
PALS information leaflets should be available in languages other than English	Translated the PALS and complaints leaflet into the top five languages used by our patients and published on the Trust website and intranet
Patients waiting to be seen in ED should be offered refreshments	Introduced a supply of refreshments that are available to patients and their families whilst waiting in ED. This included those waiting in the temporary waiting areas provided as an interim facility whilst building works were underway to create the new Emergency Treatment Centre.

Learning Lessons:

Delays in the availability of pressure relieving devices in community due to district nurses having to collect the equipment from the main hospital were resolved by storing repose cushions and heel protectors at the district nurses bases rather than the hospital.

3.2.4 Examples of specific patient experience initiatives

Children's Secret Garden
In November 2017, the Mayor of Dudley unveiled a secret garden that was built for children with additional needs who attend Russells Hall Hospital for outpatient appointments. A bare piece of land next to the children's outpatient department was transformed and now features a slide, swings and sensory toys to provide children with a relaxing outdoor environment. The secret garden was an idea suggested by parents at a listening event to improve the experience for children with additional needs. This idea also formed part of an award entry shortlisted for the Nursing Times Awards 2017.

Fruit and Vegetable Stall
A brand new fresh fruit and vegetable stall outside Russells Hall Hospital is proving a massive hit with staff and patients who are keen to eat more healthily. Brierley Hill's Young's Fresh Fruit stall opened for business outside the hospital's main entrance and gives staff and patients the chance to buy fresh fruit and vegetables. Chief Executive Diane Wake said, "We want to make it as easy as possible for the people of Dudley to lead healthy lives and make good choices, whether they visit the stall for a tasty treat or as part of their weekly shop." Visitor Jinaid Younis said, "It's a very good idea and is very convenient for members of the public and for staff." The stall is open from 8am until 4pm, Monday to Saturday and sells everything from bananas to blueberries and peaches to potatoes.

Virtual Dementia Tour Bus
A mobile virtual dementia tour bus that takes away people's primary senses visited Russells Hall Hospital to give staff a realistic glimpse into the condition that affects 850,000 people in the UK.

The Mobile Virtual Dementia Tour allows people to experience the fear and frustration people with dementia go through on a daily basis. Staff who took the tour experienced a range of simulative distortion which robbed them of their senses to recreate the isolation and fear that people with dementia may experience every day. Staff wore goggles to replicate impaired vision, gloves to restrict movement and shoe inserts to create peripheral neuropathy (weakness, numbness and pain in the feet) associated with dementia. As participants tried to perform daily activities, amplified sounds, flashing lights and restricted movement trapped them into a simulated world of fear and frustration.

Lead nurse for mental health Emma Hammond said, "The tour was extremely thought provoking and a great experience to develop an understanding of what people living with dementia might experience. I believe this will enable me to improve patient care." Communications Apprentice Lauryn Edwards, whose auntie Elsie was diagnosed with the condition at the age of 93, boarded the virtual dementia tour bus. "The tour was scary; I was unable to move properly or think clearly. It took me out of my comfort zone," said Lauryn, who was one of her aunt's carers. "I now understand that people with dementia are not aggressive and complicated, but scared, confused and isolated. It also explains why they shuffle when they're walking. "I wish I'd taken part in the tour before my auntie Elsie died in 2012. I would have understood her behaviour and looked after her better."

3.2.5 Complaints, concerns and compliments

Total number of complaints, PALS concerns and compliments

Complaints
In the year, the Trust received a total of 412 new complaints compared to 298 for 2016/17.

Percentage of complaints against activity
The table below shows the percentage of complaints against total patient contact activity in each quarter of 2017/18 and full year figures as at end of 2017/18. The percentage of complaints against activity has remained low.

ACTIVITY	TOTAL Year ending 16/17	Total Q1 ending 30/6/17	Total Q2 ending 30/9/17	Total Q3 ending 31/12/17	Total Q4 Ending 31/3/18	TOTAL Year ending 17/18
Total patient activity	769626	266874	286785	265324	303743	1122726
% Complaints against activity	0.03%	0.02%	0.04%	0.04%	0.04%	0.04%

Complaints to the Parliamentary and Health Service Ombudsman (PHSO)
During the year, the PHSO received five complaints about the Trust. Four of the five complaints have been accepted by the PHSO for investigation.
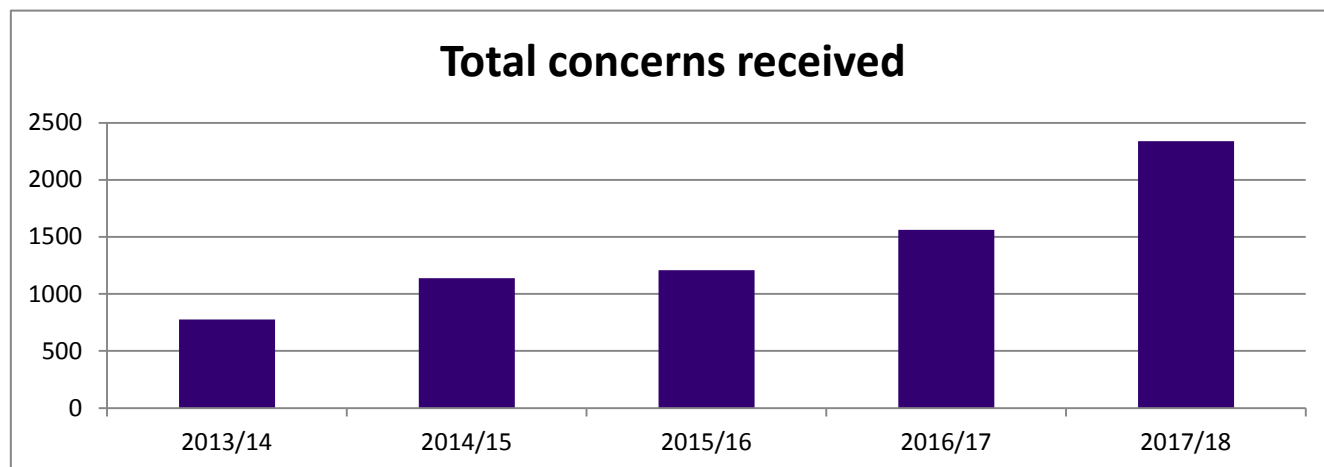
Complaints by Type
The chart below show the top five types of complaints received in each quarter during the year. The themes of complaints we receive remain similar to last year, reflecting the importance that patients place on effective treatment, timely appointments, discharge and transfers.

Quarter 1, 2017/18	Quarter 2, 2017/18	Quarter 3, 2017/18	Quarter 4, 2017/18
Communications	Clinical Treatment – Surgical	Values and Behaviours (Staff)	Values and Behaviours (Staff)
Clinical treatment – Surgical	Communications	Communications	Communications
Patient Care including Nutrition/Hydration	Clinical Treatment – General Medicine	Clinical Treatment – Accident and Emergency	Clinical Treatment – Accident and Emergency
Admissions/Discharges & Transfers	Admissions/discharges & transfers	Admissions/discharges & transfers	Clinical treatment – Surgical
Clinical treatment – General Medicine	Appointments including delays and cancellations	Clinical Treatment - Obstetrics and Gynaecology	Appointments including delays and cancellations

Patient Advice and Liaison Service

The table below details the total number of concerns raised over the last five years with the Patient Advice and Liaison Service (PALS). The Trust has worked hard to raise awareness of the PALS services to our patients, carers and their families and have seen a year on year increase in the number of those contacting and using the service.

Total concerns received

A bar chart showing total concerns received over five years:
- 2013/14: approximately 780
- 2014/15: approximately 1150
- 2015/16: approximately 1220
- 2016/17: approximately 1560
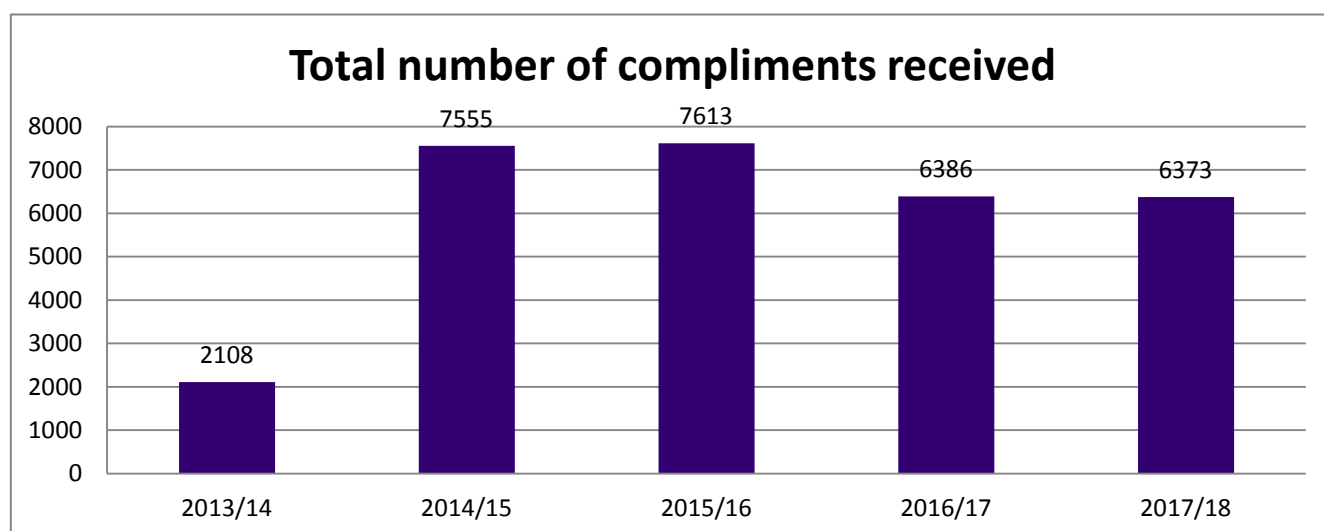- 2017/18: approximately 2340

Concerns by Type

During the year, the types of concerns received were about communication, appointments including delays and cancellations and about the processes of admission/discharge and transfer. Like the types of complaints received, the themes of concerns reflect the importance that patients place on timely appointments and effective treatment.

Compliments

The table below details 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 6,373 compliments received. All compliments received are shared with staff so they can hear first-hand what our patients say about their particular area/ward or department.

Total number of compliments received

A bar chart showing total number of compliments received over five years:
- 2013/14: 2108
- 2014/15: 7555
- 2015/16: 7613
- 2016/17: 6386
- 2017/18: 6373

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

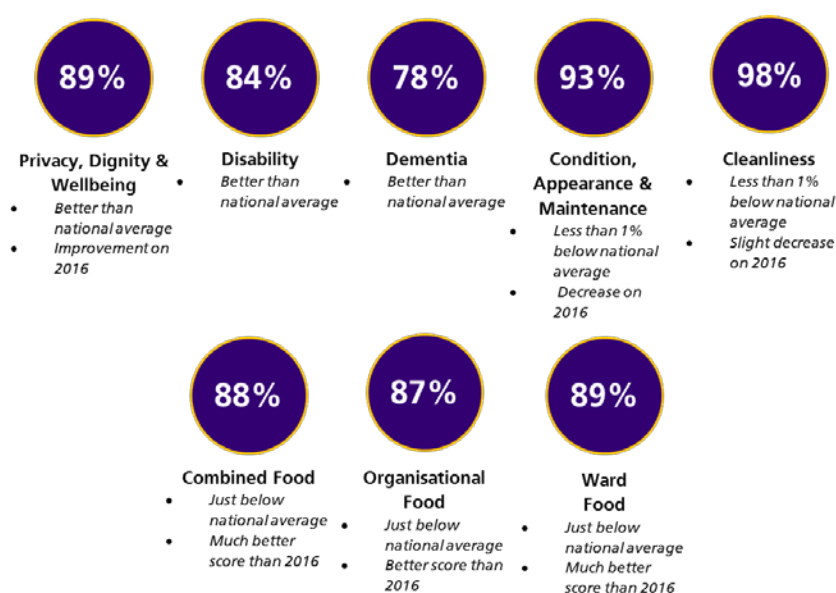| Issue raised by patient/carer	Actions taken/changes made
Heavy demand on the two extension numbers provided for the clerical/booking team in the Imaging Department.	Switchboard operators have been instructed to put calls through to the imaging secretaries' office if the booking lines are busy. Two additional members of clerical staff have also recently been appointed to work in the Imaging Department (including weekends) to address this
Members of staff entered the consultation room uninvited during consultation with patient.	Lead nurse ensured that every staff member working in the clinic are re-educated in the chaperone and privacy, dignity policies and general clinic etiquette. Staff also shared this anonymised complaint with staff in other clinics so that they can hear from a patient's perspective the effect of not considering and adhering to basic standards of privacy and dignity.
Inadequate medication management and observations undertaken by nursing staff on a ward	All nursing staff and junior doctors have been reminded of the importance of giving regular antibiotics/fluids as early as possible if infections are suspected. In addition, mandatory training is given to staff at induction. Staff have also been advised of the importance of appropriately recording within the clinical record if medications have been omitted and the reason why. Staff to patient ratios have been reviewed on the ward. Education has been provided to staff with regards administering nasal drops and this was discussed during daily team meetings.
Family experienced difficulties in obtaining a death certificate from the bereavement office	Staff have been spoken to with regards to providing a good patient service and reminded of the process for issuing a death certificate. In addition, the complaint was shared and discussed with all matrons and lead nurses who cascaded the learning to all ward based staff at their daily meetings. Additional training has been undertaken on the bereavement process, which included the process for dealing with a patient's property.
Staff within the Emergency Department failed to identify that the patient had a piece of glass remaining in the wound	Case was discussed with staff involved and feedback given. Senior clinical staff also communicated with all colleagues within the department to ensure that all wounds that have been the potential to contain glass are X-rayed in the future.
Patient injured hand when staff were lowering the chair for the scan to commence within the outpatients ophthalmology clinic	The outpatients ophthalmology clinic now use different seats to ensure that there is not a reoccurrence.
Process for informing Healthy Pregnancy Support Workers of pregnancies which end in miscarriage has been inadequate.	Guideline 'Notification of pregnancy loss' has been re-written. Process has been changed to ensure early pregnancy assessment unit inform community messages of women who miscarry and are eligible for Healthy Pregnancy Support Worker engagement.

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

Patient-led Assessments of the Care Environment (PLACE) is the national system for assessing the quality of the hospital inpatient environment but does not include the provision of patient clinical care. All trusts are required to undertake these inspections annually to a prescribed timescale. In 2017, the assessment took place on 26 April 2017 with the results being nationally published on 15 August 2017. The 2018 assessment is scheduled to take place before the end of May 2018.

The PLACE team is led by patient assessors who make up at least 50 per cent of the assessment team. In 2017, 12 patient assessors took part, nominated via the Trust's patients and governor engagement lead, with the remainder being staff assessors from the Trust and Summit Healthcare. The inspection covers wards, outpatient areas, communal areas and external areas to assess:

- Cleanliness
- The condition, appearance and maintenance 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, dignity and wellbeing
- How the premises are equipped to meet the needs of patients with disability and dementia

The scores to the right show that in 2017 the Trust scored above the national average in the categories of a) Privacy, Dignity and Wellbeing b) Disability and c) Dementia. Areas where scores were below the national average were in the categories of a) Cleanliness b) Condition, Appearance and Maintenance of the building and c) Food. Although the food scores were below the national average, there was a significant increase in the food scores compared to 2016 and since commencement in 2013.

89%
Privacy, Dignity & Wellbeing
- Better than national average
- Improvement on 2016

84%
Disability
- Better than national average

78%
Dementia
- Better than national average

93%
Condition, Appearance & Maintenance
- Less than 1% below national average
- Decrease on 2016

98%
Cleanliness
- Less than 1% below national average
- Slight decrease on 2016

88%
Combined Food
- Just below national average
- Much better score than 2016

87%
Organisational Food
- Just below national average
- Better score than 2016

89%
Ward Food
- Just below national average
- Much better score than 2016

Following PLACE, a Trust action plan was agreed and actions assigned to individuals. These have been monitored by the Patient Experience Improvement Group. Actions have been completed in the main, although actions relating to the need to rectify areas of wear and tear, especially in inpatient areas, have provided a challenge due to the Trust's clinical activity.

The Trust Cleaning Operations and Monitoring Group meets monthly to review the cleanliness audits carried out across the Trust and to monitor against recognised cleaning standards. There has been a 'refresh' emphasis on cleanliness throughout the Trust and action plans have been developed which will be monitored via this group.

A Catering Review Group meets regularly to monitor inpatient food provision and also oversees the food survey activity, providing feedback on patient views and comments to the group. The Trust's PLACE food scores have significantly increased since 2016 and it is thought that since the 'chosen by patient' menu has been further embedded, this has worked well and demonstrated by the positive impact on the Trust's food scores. This group is committed to continual review of its food provision to patients.

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 care 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 51 breaches of same-sex accommodation. All of these patients were those who were 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. All of these occurred when capacity issues were a major problem both at the Trust and in the NHS generally.

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. In the year of the 1,132 patients who responded to this question, 82 (less than 7.25 per cent) had the perception that they shared a room/bay with members of the opposite sex. This excludes emergency and specialist areas.

3.2.8 Patient experience measures

	Actual 2013/14	Actual 2014/15	Actual 2015/16	Actual 2016/17	Actual 2017/18	Comparison with other Trusts 17/18
Patients who agreed that the hospital room or ward was clean	9.0	8.9	9.0	8.8	8.8	8.2 lowest – 9.7 highest
Rating of overall experience of care (on a scale of 1-10)**	7.7	7.8	8.0	7.8	7.8	7.4 lowest – 9.2 highest
Patients who felt they were treated with dignity and respect	8.6	8.7	8.9	8.9	8.9	8.5 lowest – 9.8 highest

The above data is from national inpatient surveys conducted for CQC.
*** National range lowest to highest score.*

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 system of quality and safety reviews which assess if it is 'Safe', 'Effective', 'Caring', 'Responsive' and 'Well-led' (CQC Fundamental Standards). The reviews provide assurance of these areas to the Board. They utilise a set of tools that enable a full review of a clinical area and identify both good practice and topics where improvement is required. The wards and departments reviewed are provided with CQC style ratings for each domain and an overall rating, allowing them to prioritise the actions for improvement required. Action plans produced are managed through the governance structures within the relevant division.

The reviews, which happen twice weekly, are undertaken by a team, which consists of the quality and improvement lead, a senior member of the nursing team (either a matron, lead nurse or specialist nurse), infection control, pharmacy, patient experience, consultant medical staff, representation from the quality assurance team from Dudley CCG (twice per month) and a Trust governor (once per month). The diversity of the team members is an asset as it allows a broad perspective to be gained of the area under review. Feedback is provided on the same day following aggregation of the review team's

findings and, where appropriate, a brief action plan is agreed. This multi-dimensional view of our services coupled with executive director and non-executive director 'back to the floor' walk rounds, ensures that we maximise our opportunity to learn and improve our services for the benefit of our patients and staff.

Some of the findings of the reviews included:

- Staff were able to describe the process of protected mealtimes and indicated that this was adhered to on the ward. Staff reported having the confidence to challenge all colleagues when they were undertaking tasks during this time frame.
- Staff were able to accurately describe the process of the 'red tray' system for patients at risk from malnutrition.
- Nursing documentation reviewed was complete for patients at risk of malnutrition.
- Single sex accommodation regulations were adhered to.
- Patient's privacy and dignity was maintained during delivery of personal care and during discussions with medical staff.
- Staff were able to describe the correct action to take if they believed a patient to be vulnerable and who to contact for assistance and advice o this issue.
- Staff spoken to all reported that they thought that they had received appropriate training to complete their role and were not asked to perform duties outside their competencies. Staff reported that they would be confident to challenge and/or escalate if this was the case.

3.3.3 Incident management

The Trust actively encourages its staff to report incidents believing that to improve safety it first needs to know what problems exist. This reflects the National Patient Safety Organisation which has stated:

''Organisations that report more incidents usually have a better and more effective safety culture. You can't learn and improve if you don't know what the problems are.''

The aim of this training was to further improve investigations skills in order to deliver more focused and improved action plans, thus facilitating wider learning from incidents with a view to reducing similar incidents across other parts of the Trust. The training has been cascaded down to other staff by the patient safety team with bi-monthly RCA training sessions being held.

The Integrated Governance Report is made available to divisions on a monthly basis. This was extended in September 2017 to include Directorate Integrated Governance reports. The reports have been further developed to include

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 2017/2018, the Trust once more engaged with an external training company to deliver Root Cause Analysis (RCA) training to a large number of staff, including clinicians and managers.

all aspects of patient safety and quality, allowing both divisions and directorates to identify trends or issues early and take action.

The Trust has established a number of KPIs for monitoring both its qualitative and quantitative performance in respect of registering and reporting serious incidents. Compliance is monitored within the Trust and discussed with our partners at the CCG.

The chart below shows the percentage of incidents reported by degree of harm at the Trust and for all acute (non-specialist) trusts in England and Wales, from 1st April 2017 to 30th September 2017.

Incidents Reported by Degree of Harm for Acute (Non-Specialist) Trusts in England and Wales
(1st April 2017 to 30th September 2017)
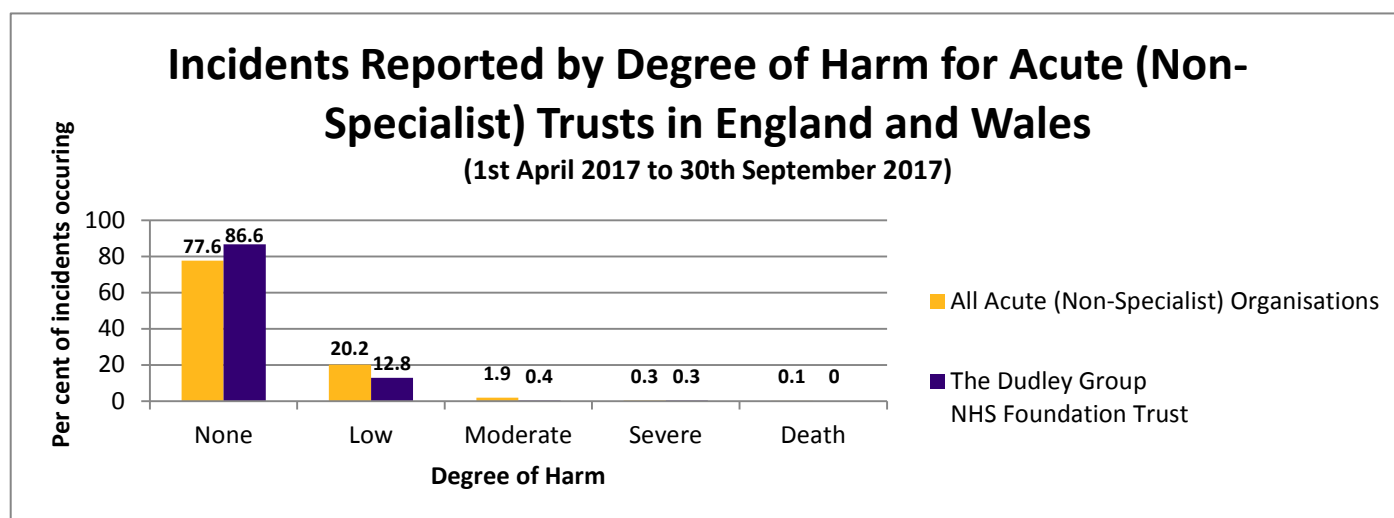
With regards to the impact of the reported incidents, it can be seen from the chart overleaf that the Trust reported similar proportions of incidents to comparable trusts. Nationally, across all acute (non- specialist) trusts, 77.6 per cent of incidents are reported as no harm (the Trust reported 85.6 per cent) and 0.1 per cent as death (the Trust reported 0 per cent).

The Trust uploads incidents to the National Reporting and Learning System every two weeks, thereby minimising the amount of data that could be lost if one of these transmissions fails and, in addition, pre-upload and post-upload reconciliations are undertaken independently of the operational incident team.

During the year, the Trust has had three Never Events (a special class of serious incident that is defined as a serious preventable adverse incident that should not occur if the available preventative measures have been implemented). The Trust had 147 serious incidents*, all of which underwent investigation in line with the Trust's policy which is based on national requirements and, when relevant, action plans were initiated and changes made to practice.

*Serious incidents are events in healthcare where the potential for learning is so great, or the consequences to patients, families and carers, staff or organisations are so significant, that they warrant using additional resources to mount a comprehensive response.

Some examples of changes made to practice in response to incidents have been:

- Following a Never Event involving a retained instrument, the Trust immediately introduced a two person check of all instruments mandated in all theatres.
- The pharmacy team has produced a list of medicines at risk of denaturing from ambient temperature extremes. This will be reviewed ahead of the summer months and be made available to pharmacy staff to enable them to proactively manage clinical and technical advice to ward teams.
- Review of incident trends within theatres identified issues in relation to equipment; this resulted in a change to the process of discussing these failings with the sterile services partner which now sees a senior member of staff from theatres attending the quarterly sterile services group where each incident is reviewed to identify process changes.
- The Trust moved from a local Track & Trigger process to the National Early Warning Score (NEWS) in August 2017. This was further developed within the Emergency Department following the CQC visit in December. This ensured the Trust was in line with national guidance on the management of deteriorating patients. The system will be embedded in the EPR system when launched next year. Every inpatient area which records vital signs for their patients has changed over to the National Early Warning Score (NEWS) system, this includes a new escalation plan for medical emergency and cardiac arrest calls.
- Operating theatres now use the swab board to record all decisions to leave in situ any swab prior to a break starting and then use the swab board to record relocation of any swab when the session restarts after the break.
- A head injury guideline has been developed and launched across the Trust and is available on the Trust intranet.
- To improve co-ordination across Trusts, both a clinical and information technology lead for NORSe at the Trust have been identified and clinical site co-ordinators have access to the system thus providing 24 hour access. There is now also a single point access at the Trust which receives letters from University Hospital Birmingham and the letters are now uploaded to the patient administration system allowing access to clinicians.

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 staff are open and honest with patients when things go wrong with their care and treatment. This includes any event when a patient has been harmed. To ensure compliance to the regulation and to ensure this framework is embedded in the organisation, the Trust has taken the following actions to further ensure compliance and improve completion of the necessary documentation:

- The central patient safety team liaises with the lead investigator of an incident to ensure that the Duty is completed within the 10 day framework, and then on closure of the investigation, the team notify the lead investigator if the patient requires feedback, and co-ordinates any written feedback requests.
- Our commissioners are provided with evidence of the completion of the aspects of the initial discussion with families through the national serious incident reporting system (STEIS) and this is monitored by our commissioners.
- Duty of Candour training is provided on request.
- A Standard Operating Procedure has been developed detailing the process of how to complete the Duty of Candour documentation and is available to staff on the Trust's intranet.
- A quarterly audit of the completion of the Duty of Candour is undertaken and the results are presented to the Board of Directors and shared with commissioners.
- There is 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.

3.3.5 Quality Indicators

Every month, 10 nursing records and supporting documentation are audited at random in all general inpatient areas and specialist departments in the hospital, and in every nursing team in the community. These have previously been known as Nursing Care Indicators (NCIs). A total of 17 areas of care (approximately 370 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. The results of the audit for each area of the Trust compared to last year are shown below. They show some improvement since last year although direct comparison is difficult due to changes in the tools over time:

Area of Audit	2016/17	2017/2018
Community Children's	99%	100%
Community Neonatal	99%	100%
Critical Care	98%	95%
District Nurses	94%	95%
EAU/AMU	93%	86%
ED	88%	90%
General Wards	93%	93%
Maternity	92%	96%
Neo Natal	98%	99%
Paediatric	98%	97%
Renal	95%	98%

In addition, a number of other more specific audits, such as assessing the care of diabetes patients, are conducted monthly. The audit tools are reviewed regularly to reflect learning from incidents and changes in practice. These audits have an escalation framework to ensure that issues that could be improved are addressed by the lead nurse and matron for that area. As well as the monthly audit system, spot checks occur in all areas alongside the wider quality and safety reviews (see section 3.3.2). We have restructured the Nursing and Midwifery Departmental page on the Trust intranet to ensure that all audit results are available immediately to all staff in the Trust, as well as a tracker that includes the position of a ward/department compared to other areas.

This year we have developed a Quality Dashboard system so that both staff and patients can see the position of the ward/department on a monthly basis against a wide range of quality indicators. The dashboard is placed in a prominent position in all areas. As well as giving an indication of an individual ward/departments quality performance, both Trust-wide and divisional dashboards are also produced. As this is a new system, the compiling of a full set of indicators is still under development. An example of the dashboard is shown below:

QUALITY INDICATOR (All Wards)

Patient Safety & Quality	RATINGS			2016	2017											
KPI				Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	YTD
Environmental Cleaning	<85%	85% - 95%	>=95%		96.48%	93.33%	96.42%	97.04%	96.00%	96.81%	95.62%	94.95%	94.61%	97.48%	89.03%	94.94%
Hand-hygiene compliance (Aug 2017 onwards)									97.6%	97.6%	94.4%	99.7%	99.7%	100.0%	99.4%	98.7%
MRSA Screening - elective					82.80%	87.00%	85.44%	85.84%	83.77%	79.13%	82.97%	78.05%	75.68%	83.54%		82.35%
MRSA Screening - emergency					89.31%	88.76%	91.73%	85.84%	89.24%	91.82%	87.76%	91.77%	88.32%	88.23%		89.30%
HCAI CDIFF – Due To Lapses In Care	>0		0	0	2	1	4	1	1	4	0	1	0	1	0	15
Saving Lives - 02b Peripheral Lines Ongoing Care	<75%	75% - 95%	>=95%	97%	97%	99%	96%	99%	98%	98%	99%	100%	99%	98%	95%	98%
Saving Lives - 06b Urinary Catheter Ongoing Care	<75%	75% - 95%	>=95%	100%	99%	100%	99%	99%	100%	100%	100%	100%	100%	98%	99%	99%
Total number of Datix incidents reported				567	529	571	539	641	601	556	574	539	486	540	494	6,637
Falls, Injuries or Accidents				113	107	111	75	109	75	75	91	99	76	83	87	1,101
Pressure Ulcers (Hospital Acquired) Grade 3/4	>0		0	5	2	4	1	1	5	2	0	0	0	6	1	27
Serious Incidents				6	5	7	2	5	6	4	2	5	2	9	4	57
Never Events	>0		0	0	0	0	1	0	0	0	0	0	0	0	0	1
Nutrition Audit	<85%	85% - 95%	>=95%	95%	97%	95%	93%	95%	95%	94%	95%	92%	95%	93%	92%	94%
Pain Score	<85%	85% - 95%	>=95%	91%	94%	95%	97%	87%	90%	87%	93%	93%	97%	91%	83%	92%
Medicines Management Audit (Announced)	<85%	* 85% - 95%	>=95%				89%	84%		76%	80%				79%	82%
Priorities of Care				40	39	41	38	31	34	34	41	29	24	41	33	434
Deteriorating patient trolley daily checked (1 month in arrears)	<85%	85% - 95%	>=95%	94.73%	88.88%	95.65%	94.11%	76.92%	76.92%	88.23%	100.00%	68.75%	94.44%	83.33%	88.33%

Clinical Indicators	RATINGS			2016	2017											
KPI				Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	YTD
National Early Warning System (NEWS/PEWS/MEOWS)	<85%	85% - 95%	>=95%											94.5%	90.4%	92.5%
***Newborn and Infant Physical Examination																
Fluid Balance Management Audit	<75%	75% - 93%	>=93%	89.94%	93.95%	91.72%	88.92%	92.59%	91.91%	92.30%	90.65%	92.70%	92.93%	88.83%	90.02%	91.40%
***Hearing Screening																
AKI (awaiting EPR)																
VTE Assessment Indicator (CQN01)	<95%		>=95%		94.43%	94.43%	95.33%	95.17%	95.41%	94.05%	95.47%	95.82%	94.12%	95.25%	96.21%	95.06%
***Retinopathy of Prematurity Screening																
NQA - Skin Bundle	<85%	85% - 95%	>=95%	96%	93%	97%	97%	96%	96%	96%	94%	96%	96%	96%	95%	96%

Patient Experience	RATINGS			2016	2017											
KPI				Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	YTD
Friends & Family – Inpatients – Footfall	< 26%	26% - 35.1%	>= 35.1%	14.5%	17.4%	28.1%	29.4%	35.7%	28.2%	24.9%	37.4%	36.7%	31.9%	29.9%	28.5%	28.4%
Friends & Family – Inpatients – Recommended %	< 96.3%	96.3% - 97.4%	>=97.4%	95.2%	97.4%	94.5%	96%	96.6%	95.7%	94.2%	92.8%	94%	93.3%	92.5%	92%	94.4%
Friends & Family – Inpatients – Not Recommended %					0.7%	1.6%	1.1%	1%	1.9%	3.1%	3.5%	2.4%	3.8%	2.7%	4.2%	2.4%
Friends & Family – Maternity – Footfall	< 26%	26% - 35.1%	>= 35.1%	32.7%	30.9%	48.9%	40.4%	48.6%	56.3%	39.6%	34.8%	45.1%	23.6%	38.4%	35.9%	39.9%
Friends & Family – Maternity – Recommended %	< 96.3%	96.3% - 97.4%	>=97.4%	99%	98.8%	97.8%	98.2%	98.6%	97.6%	97.8%	98.6%	95%	98.4%	97.2%	97.9%	97.8%
Friends & Family – Maternity – Not Recommended %					0.5%	0.7%	0.5%	0.8%	1%	0.8%	0.6%	0.7%	0%	0.2%	0.5%	0.6%
Complaints					9	16	16	13	20	19	18	22	14	21	11	179
Compliments					508	298	60	188	206	333	387	301	482	487	372	3,622
Estimated Date Discharge (May 2018 onwards)																

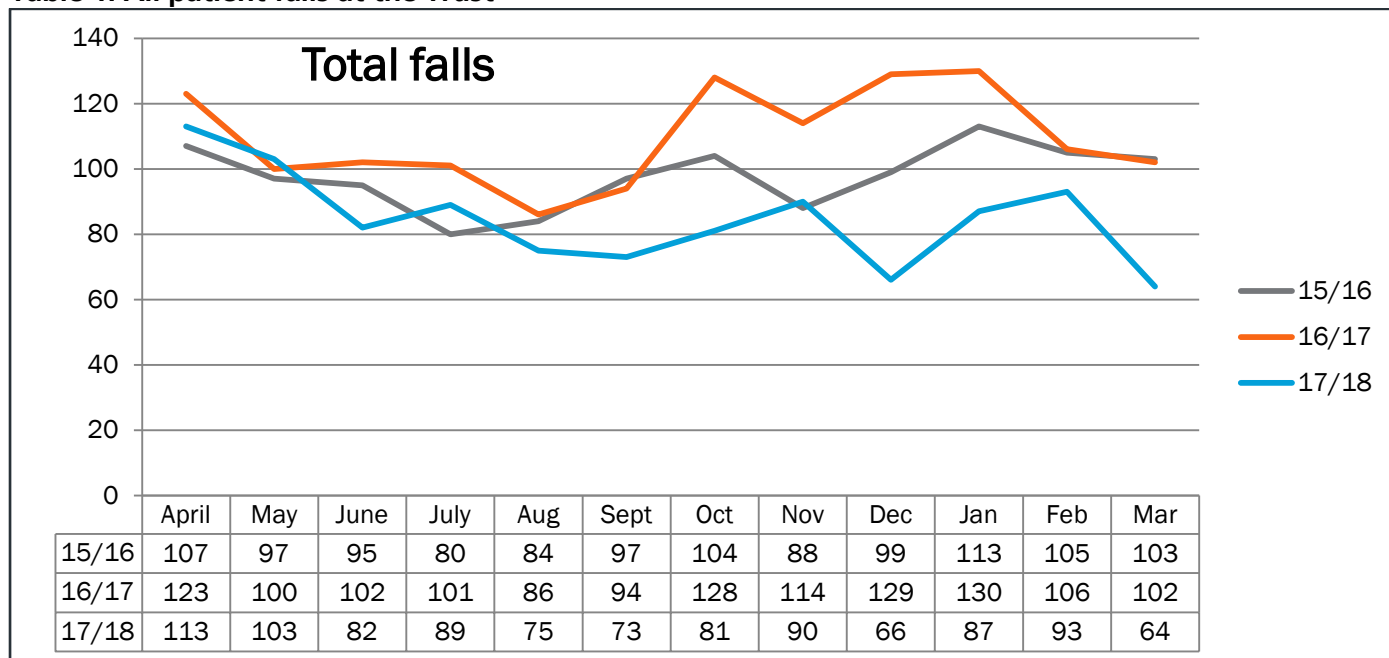| Workforce & Safer Staffing	RATINGS			2016	2017											
KPI				Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	YTD
Appraisals	<80%	80% - 90%	>=90%	82.2%	79.6%	85%	85.3%	86.3%	87.3%	87.3%	89.3%	87.9%	86.8%	85.7%	80.6%	85.3%
Mandatory Training	<80%	80% - 90%	>=90%	79.2%	80.5%	81%	81%	83.3%	84%	85.3%	86.5%	87.7%	87.5%	86.7%	86.9%	84.1%

3.3.6 Falls Prevention

For part of the year in 2016, the Trust was above the national average in terms of the number of patient falls with harm. To address this, in 2017 the Trust joined the NHSi National Falls Prevention Collaborative, a 90 day project involving other trusts across the country with the aim of reducing all falls but focusing on falls with harm.

During the year, the following actions have occurred at the Trust:

- Labelled walking aids; red bands not in reach/green bands in reach of patients
- 'Call don't fall' signs at every patient bedside
- Grab bags initiative in every inpatient bathroom to reduce falls in the toilet
- Crash mats on high risk areas: wards C3 and C8
- 50 high/low beds purchased for use in Trust
- Falls Prevention Week June 2017 to share learning and developments
- 'Tag you're it' badges to remind staff that they should hand over their patient to another person before leaving the patient unattended. The badge acts as the tag baton and is passed to the next staff member caring for the patient on 1:1 or cohort basis.
- Falls under-reporting tool undertaken every six months
- Increasing medical engagement with elderly care handover meeting
- Review of all falls (not just those with harm) to confirm any learning from the falls with no harm
- Monthly falls audits for wards, results shared on dashboard
- Meetings with individual wards to explain their own falls data and discuss further actions
- Falls prevention mandatory training given a target of being above 90 per cent

The above actions and the impetus of working within the national collaborative have resulted in a considerable reduction in falls at the Trust as Table 1 below shows.

Table 1. All patient falls at the Trust

	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
15/16	107	97	95	80	84	97	104	88	99	113	105	103
16/17	123	100	102	101	86	94	128	114	129	130	106	102
17/18	113	103	82	89	75	73	81	90	66	87	93	64

The recording of falls with harm per 1,000 Occupied Bed Days began nationally in October 2015, following the first National Falls Audit by the Royal College of Physicians. Table 2 below clearly shows the positive effect of the work undertaken at the Trust through the collaborative work and the Trust's Falls Group. The Trust has remained below the National Average for all falls and falls with harm since March 2017.

Table 2. Patient falls with harm at the Trust (per 1,000 occupied bed days) compared to the national average

Falls with Harm (per 1,000 occupied bed days)
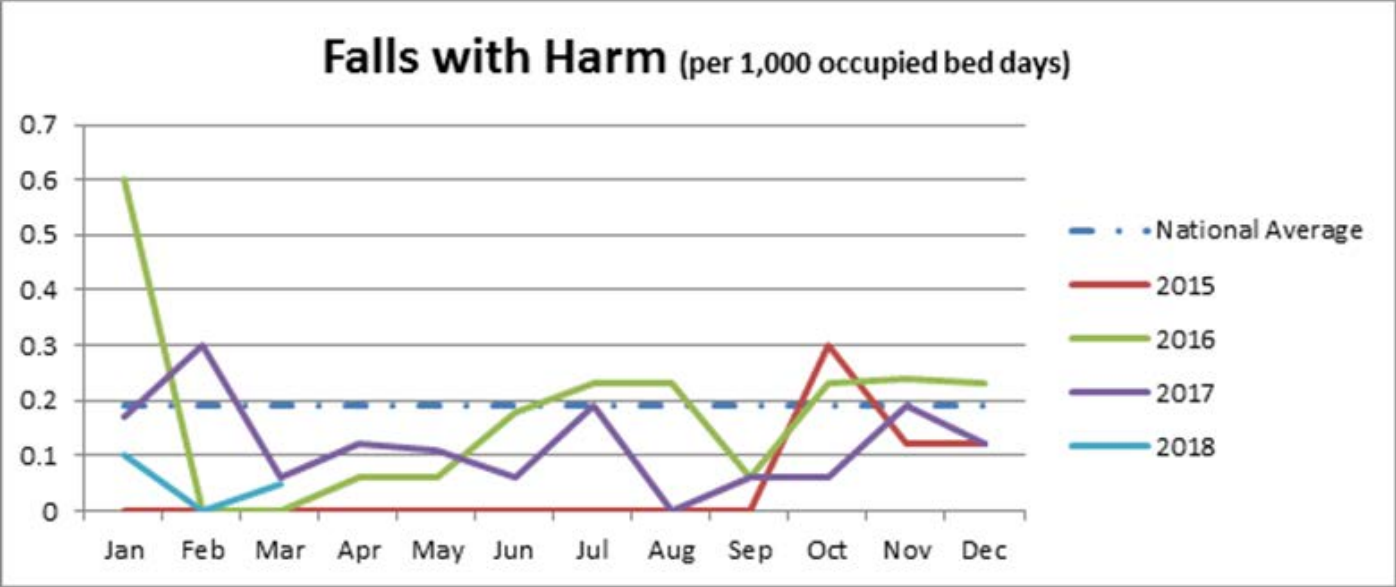
3.3.7 Harm Free Care and NHS Safety Thermometer

The NHS Safety Thermometer used for adult patient care 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 is available 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, 480 adult inpatients (excluding day case patients and those attending for renal dialysis), and 580 patients being cared for in the community are assessed.

To ensure accuracy of audits submitted as well as improved lines of communication, access to the database has been restricted to staff who have received training.

The Children and Young People's Services Safety Thermometer is a national tool that has been designed to measure commonly occurring harms in people that engage with children and young people's services. It's a point of care survey that is carried out on one day per month which supports improvements in patient care and patient experience, prompts immediate actions

by healthcare staff and integrates measurement for improvement into daily routines. This process is led by the clinical governance lead for paediatrics. The Maternity Safety Thermometer allows maternity teams to take a temperature check on harm, and records the proportion of mothers who have experienced harm free care, but also records the number of harm(s) associated with maternity care. It supports improvements in patient care and patient experience, prompts immediate actions by healthcare staff and integrates measurement for improvement into daily routines. This process is led by the maternity matron.

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.

3.3.8 'Sign Up to Safety' Campaign

The Trust committed to partake in this national initiative by:

- Identifying the actions to take in response to the five Sign up to Safety pledges
- Publishing the agreed actions on the Trust website for staff, patients and the public to see
- Developing a safety improvement plan (including a driver diagram) to identify how improvements in patient safety and reductions in patient harm will be implemented and managed

The Trust launched a programme to improve patient safety in three key areas of care with the following aims:

1. Reduce by a third the number of inpatient falls that result in harm by March 2018

This has been achieved.

2. Identify all invasive procedures requiring NatSSIPS and provide assurance of compliance with the standards with the use of LocSSIPS by March 2018*

All procedures have been identified and are on a LocSSIP register indicating whether the checklist being used is the generic Trust version or a locally developed checklist. An audit process has been developed and is currently being undertaken and is due for completion in April 2018.

3. Reduce the number of omitted medication errors by 50% by March 2018

There has been a reduction in the number of omitted medication incidents recorded on the Trust incident reporting system from 2016/17 when the average number per quarter was 31. In 2017/18: the average number per quarter was 23 and so the reduction has been 25 per cent, not the 50 per cent as planned.

The principle behind the NatSSIPs, an NHS England initiative, is that organisations will review their current local processes for invasive procedures and ensure that they are compliant with new national standards. This will be done by organisations working in collaboration with staff to develop their own set of 'Local Safety Standards for Invasive Procedures' (LocSSIPs).

3.3.9 Examples of specific patient safety initiatives

Service developments in the care of children which enhance patient safety

The paediatric service has been instrumental in setting up and leading on a PATH (paediatric antibiotics at home) service which allows children to be treated at home with intravenous antibiotics after initial assessment on the ward. This avoids children having to return to hospital which can be perceived by them as a hostile environment. The service provides excellent safe care at home.

In addition, in conjunction with the diabetes team, transitional clinics for children and young people with Type 1 diabetes have commenced. We are the only Trust in the country to have separate transitional clinics for children with type 1 diabetes who are on multiple injections and insulin pumps. These clinics are staffed by both experts in diabetes and those specialising in the care of children, working alongside each other, which lessen any disruptions in care as children move from the child to the adult clinics.

Clinical guidelines enhancing patient safety

The Trust's clinical guidelines initiative has received national recognition for excellence in patient safety at a Royal Society of Medicine Conference. The clinical guidelines group was set up in September 2017 and has already made vast improvements to the accessibility and awareness of clinical guidelines across the Trust. The group have been particularly successful at engaging junior doctors in clinical guidelines development.

The Trust's most recent audit was shortlisted for a poster prize at The Royal Society of Medicine Patient Safety Section and received excellent feedback from the judges.

The group, consisting of Mr Jack Hamer, Dr Emma Low, Dr Justin Grandison, Dr Sarah Edwards, Dr Matthew Maw and Sandra Rider, successfully engaged junior doctors in the clinical guidelines process and worked with clinicians to identify gaps in clinical guidelines and develop them in line with best practice. The clinical guidelines group has also been responsible for driving the development of

nearly 20 new guidelines and has also consulted on many more.

The initiative has completely re-designed the clinical guidelines page on the Trust's intranet to improve accessibility of guidelines to clinicians and involved the refiling of nearly a thousand procedural documents. The main aim of the initiative is to promote safe, evidence based practice and ensure our clinicians can access guidelines in a timely manner, including whilst on call.

Improvements in sepsis care – 'Just ask, could this be sepsis? Together we can beat it.'

Sepsis is everyone's problem and kills more than 2000 people a day in Europe alone. In 2017/18 there has been considerable national publicity on recognising and reducing this condition. It is important that patients developing sepsis have prompt intravenous antibiotic administration within an hour of clinical staff recognising the symptoms. During the year, we employed a further sepsis nurse and an antimicrobial pharmacist to assist in ensuring staff act promptly to reduce morbidity and mortality. Our compliance with the antibiotic administration in less than an hour has increased from 27 per cent in inpatients and 53 per cent in the emergency department at the beginning of 2016 to 82 per cent (inpatients) and 78 per cent (ED) at the end of 2017.

Also during the year, the National Early Warning Score (NEWS) was introduced Trust wide by the Deteriorating Patient Group to unify the approach across the Emergency Department and inpatient areas. This was accompanied by targeted training incorporating NEWS and sepsis as an integral system to recognise all deteriorating patients. This has increased the compliance of a full set of vital signs being undertaken which forms a basis of deciding if the care of patients needs to be escalated to senior staff. Cardiac arrest trollies were replaced by deteriorating patient trollies containing equipment for all deteriorating patients including triple therapy antibiotics for adults with Red Flag sepsis. National mortality for sepsis is presently at 27 per cent. Following the implementation of the NEWS system, the crude mortality for sepsis across the Trust has reduced from the peak two years ago of 50 per cent to 14 per cent by December 2017, although this fluctuates with seasonal variation.

The RADAR (Recognise Acute Deterioration, Assess and Refer) programme has also been launched that has been accompanied by a guide that can be slotted into all staff's identification badge holders so it is always at hand. It reminds staff of the correct escalation process to ensure prompt treatment. The programme continues with regular reports on best practice and improvements undertaken.

3.3.10 Patient safety measures

	Actual 2013/14	Actual 2014/15	Actual 2015/16	Actual 2016/17	Actual 2017/18
Patients with MRSA infection per 1000 bed days* Trust Vs. National	0.004 Vs. 0.012	0 Vs. 0.009	0.009 Vs. 0.009	0 Vs. 0.009	0
Never events – events that should not happen whilst in hospital Source: adverse incidents database	1	1	1	1	3
Number of cases of deep vein thrombosis presenting within three months of hospital admission**	116	102	130	138	122

Data source: For 2013/14 to 2016/17 from National Statistics on www.gov.uk For 2017/18 numerator data taken from infection control data system and denominator from the occupied bed statistics in patient administration system.
**We review all diagnostic tests for deep vein thrombosis 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 hospital acquired thrombosis. As a further check, we receive notification from the bereavement officer if PE was identified as the primary cause of death.*

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 in improving the quality of care

Clinical Research Network (CRN) West Midlands Awards 2017
The Trust's research laboratory team picked up the Support Service Award for their hard work around the recruitment of patients to research studies. Our research support officer was 'highly commended' for the Business Innovation category on behalf of the research team for implementing Edge, which is a research system that provides the most up to date data.

Nursing Times Awards 2017
Our continence advisors made the shortlist in two categories. The community based continence advisors introduced new roles to support care home staff to deliver the best possible continence care to patients and to troubleshooting in care homes to advise staff and treat complex patients to help avoid unnecessary hospital admissions. The Trust's project to improve the experience for children with learning disabilities visiting hospital also

made the shortlist. Improvements include introducing pagers in the Children's Outpatient Department, which allows parents to leave the department if their child is anxious without the fear of missing their appointment.

West Midlands Academic Health Science Network Awards 2017
The Trust won the runner up award for the Medicines Optimisation category for the work in oncology clinics. The Trust's oncology prescribing pharmacist specialises in prostate cancer and he reviews patients in surgical urology clinics and also in medical oncology clinics. He optimises patient systemic anticancer therapy in both clinics and maintains contact with our prostate cancer patients throughout their treatment journey from surgery into oncology as disease sadly progresses.

Student Nursing Times Awards 2017

Three members of staff from the Trust received national recognition by making the shortlist in the category of Educator of the Year for inspiring students.

CHKS Awards 2017 CHKS Top Hospitals Awards 2017

CHKS is a leading provider of healthcare intelligence and quality improvement services. This year, the Trust was named as one of the top forty trusts against a range of indicators including efficiency, patient safety, quality of care, data quality and patient experience.

Health Service Journal Awards 2017 in the Patient Safety category.

The implementation of a new app which has transformed out-of-hours care at Russells Hall Hospital, and freed up more than 100 hours of nursing and doctor time every week, was shortlisted for the above award. A staggering

5000 clinical tasks, ranging from prescribing medication to interpreting blood results and X-rays, are logged and allocated each month using the app on handheld iPods.

Student Nursing Times Awards 2018

The Trust's learning disability simulation pathway has been shortlisted in the category of Student Experience. The simulation pathway, which was developed to improve education, helps student nurses to understand the needs of people with a learning disability when they visit hospital.

3.4.3 Examples of innovation

App for management of patients with Parkinson's disease

The Trust has launched a mobile IOS/android phone / tablet app for guidance on the management of patients with Parkinson's disease that are deemed nil by mouth. This means the guidelines, for patients with compromised swallowing or those deemed nil by mouth, are available for doctors across the world to download to help with the management of patients with Parkinson's disease. This allows staff to spend more time with patients to deliver the best quality care for each individual. The app offers information about feeding tube administration for patients who can tolerate a feeding tube as well as a Rotigotine Patch Conversion Calculator for the patients who cannot. It can be found by searching 'Parkinson's Nil By Mouth' on the app store.

Reminiscence Interactive Therapy (RITA)

The Trust has introduced new digital reminiscence therapy software to areas across Russells Hall Hospital to offer extra support to patients with dementia. The Reminiscence Interactive Therapy and Activities (RITA)

software is a form of cognitive therapy that helps to calm, stimulate and reduce agitation in patients with dementia. The therapy has been proven to positively engage patients, who have a cognitive decline in mental abilities such as memory and thinking. The software, in the form of a tablet device, helps patients to relax, recall memories and encourage interaction between them and their families. Matron Rachel Tomkins has been involved in training staff on how to use the software across the hospital. She said: "The reminiscence software has already made a massive difference to our patients in such a short space of time. I really believe that this fantastic piece of technology is helping to make our patients feel more comfortable during their stay and that it is also contributing to a reduction in falls." The Trust has purchased ten tablets which hold a wide range of interactive activities for patients to access, such as a library of music from every generation, old and new films to watch and an app for families to create personalised life albums by uploading photos with their loved ones.

'Love your Heart'

An interactive online video programme called 'Love your Heart' developed by consultant rheumatologist, Dr. Holly John, in partnership with the National Rheumatoid Arthritis Society (NRAS) has been launched. It has been developed to help those with rheumatoid arthritis (RA) understand why they are at an increased risk of cardiovascular disease (CVD) and the impact RA can have on the most important organ - the heart! It originated following a four-year research study in how to educate patients with RA of the risks of CVD, which increase due to both their RA as well as established risk factors such as diabetes, high cholesterol or smoking for example. The study was part of a broader and longstanding programme of research projects conducted by the Rheumatology Department in Dudley (with collaborators from multiple universities) into CVD in RA, which has significantly contributed evidence which underpins national and international guidelines. A recruited participant in the educational programme described: "Doing this programme was life-changing for

me – it gave me the knowledge, the confidence and the stimulation I needed to take action to change my life. I cancelled my Sky subscription, joined a gym and started swimming. It's changed my life in a very positive way." The promising results of the programme led to the collaboration with NRAS and the development of the Love Your Heart programme. NRAS is making the Love Your Heart programme widely available to everyone with RA (or inflammatory arthritis) so that they can find out why they are at increased risk of CVD and provide tools to help them lower that risk. The online programme stars some of the team that supported Dr. John in her study.

3.4.4 Examples of specific clinical effectiveness initiatives

Multi-disciplinary Virtual Biologic Clinic (VBC)

Biologic drugs are high cost drugs which have revolutionised the treatment of inflammatory conditions such as rheumatoid arthritis. They act on specific proteins or chemical molecules within the body which are involved in inflammation. The Rheumatology Department have implemented a multi-disciplinary virtual biologic clinic (VBC). Patients starting biologic therapies thereby have their screening investigations collated, funding secured through an electronic high cost drugs programme, prescriptions created and registration with homecare all done virtually. Subsequently patients attend dedicated group education. The VBC has improved efficiency, patient safety and recruitment into national biologic research registries as well as reducing delays for patients and facilitating maintenance of an accurate biologic database.

Improvements in diabetes care for pregnant women.

Following a recent research study that has shown significantly improved diabetes control and neonatal outcomes, including reduced stay in a neonatal unit, the Trust has changed its practice and now offers continuous glucose monitoring (CGM) to all patients with Type 1 diabetes during pregnancy. We refer patients for continuous monitoring with alarms if they have no awareness to hypoglycaemia and severe hypoglycaemic attacks. The Trust now runs weekly technology-based pregnancy multidisciplinary meeting. This is a new initiative and there not many such examples in other trusts. Patients download their continuous monitoring devices at home and the Trust remotely reviews the traces. In addition, we have started offering the device for patients with Type 1 diabetes as a part of preconception care.

While some of the devices have been purchased from local charity funds, many are funded through the local commissioning group. We are one of the first trusts in the country to obtain NHS approval. The team look forward to take part in a new diabetes-related study, which will look at closed loop (artificial pancreas) in pregnancy with Type 1 diabetes. If we are successful, we will be one of the very few centres in the UK to have the opportunity to take part in this innovative study, which will be led by the University of Cambridge team.

Day Case Mastectomy
It has now been established that mastectomy can be safely delivered as a day case procedure, but implementation of this nationally has been slow. The advantage for patients is minimum disruption to their lives and a smoother

pathway with much lower risk of cancellation and healthcare associated infection. The advantage for the Trust is release of inpatient beds and easier planning of the elective waiting list.

The Breast Care Team here at the Trust commenced an initiative to increase our day case surgery rates for mastectomy. This required a multidisciplinary approach with re-designing the entire admission pathway and introducing a cultural change within the team. The progress since then has been very successful as the graph below indicates when comparing our rates with the national figures. Anecdotally, patients have expressed high levels of satisfaction with the day-case mastectomy pathway and staff have likewise found delivering this enhanced service to be very rewarding.
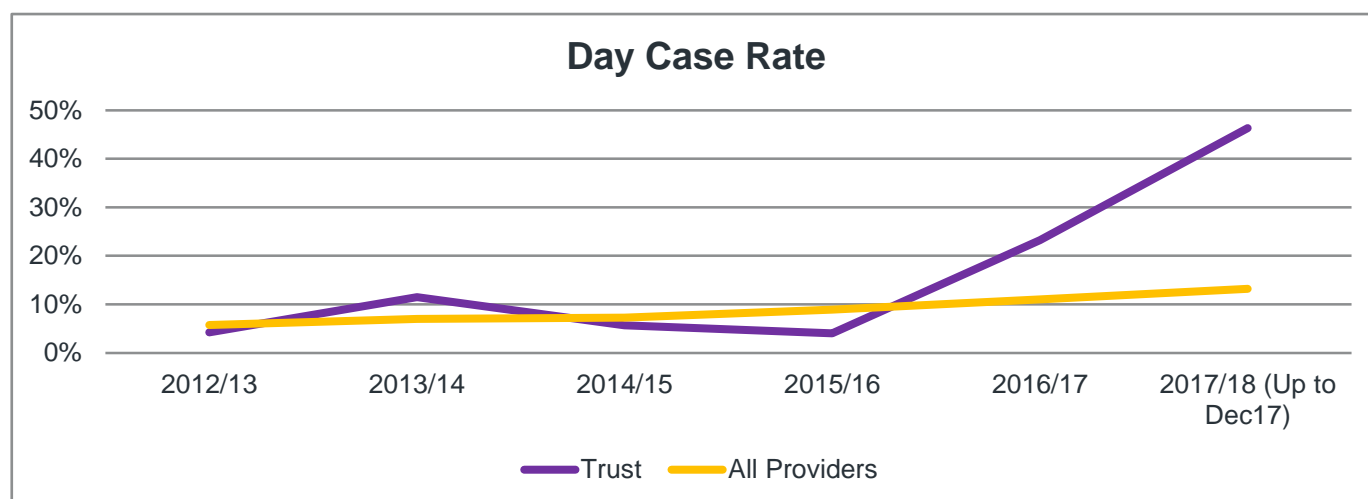
3.4.5 Clinical effectiveness measures

	Actual 2013/14	Actual 2014/15	Actual 2015/16	Actual* 2016/17	YTD 17/18
Trust readmission rate for Medicine and Integrated Care Division *Vs.* National peer group (acute and specialist trusts) *Source: UHB Hospital Healthcare Evaluation Data (HED)*	7.14% Vs. 8.61%	8.78% Vs. 6.38%	8.82% Vs. 8.39%	10.37% Vs. 9.38%	9.06%** Vs. 9.24%**
Number of cardiac arrests *Source: Logged switchboard calls*	158	189	144	136	118
% of patients admitted as emergency for fractured neck of femur operated on within 48 hours *Vs.* National average *Source: UHB Hospital Healthcare Evaluation Data (HED)*	84.04% Vs. 77.31%	83.97% Vs. 78.59%	85.58% Vs. 79.39%	86.10% Vs. 78.69%	83.23%+ Vs. 78.52%+

*These updated figures are for the whole year. Last year's report included the figures available at the time of printing.
** Both Trust and National Peer Figures are April 2017 to November 2017, the latest HES period available.
+ Both Trust and national average figures are April 2017 to November 2017, the latest HES period available.

3.5 Our performance against the thresholds set out in the Risk Assessment and Single Oversight Frameworks of NHS Improvement

National targets and regulatory requirements	Trust 2013/14	Trust 2014/15	Trust 2015/16	Trust 2016/17	Target 2017/18	National 2017/18	Trust 2017/18	Target Achieved?
Maximum time of 18 weeks from point of referral to treatment (RTT) in aggregate – patients on an incomplete pathway Ⓐ	96.74%	95.43%	95.06%	95.43%	92%	+	94.0%	☺
A&E: maximum waiting time of 4 hours from arrival to admission, transfer, discharge Ⓐ	93.74%	94.68%	98.18%	94.16%	95%	88.36%	86.56%	☹
All cancers: 62 day wait for first treatment from urgent GP referral for suspected cancer	89%	85.6%	84.3%	85.3%	85%	82.2%	86.3%	☺
All cancers: 62 day wait for first treatment from NHS Cancer Screening Service referral	99.6%	97.3%	96.2%	98.2%	90%	90.9%	98.3%	☺
Maximum 6 week wait for diagnostic procedures	99.25%	97.75%	98.97%	97.41%	99%	99.03%	97.86%	☹
Venous Thrombolism (VTE) Risk Assessment	95.16%	95.33%	95.96%	94.75%	95%	95.27%*	93.38%	☹

2017/18 National Figures taken from NHS Statistics and Cancer WaitingTimes Database (quarterly figures averaged)
*National figure only available for Q1 to Q3
+ National figures are not available

☺ = Target achieved
☹ = Target not achieved
Ⓐ = Data quality tested by external auditors (see below). For the A&E waiting time indicator, the testing undertaken was on the Trust's accident and emergency department data (78.38%), while the stated figure also includes the performance of the urgent care centre as required for national reporting.

For the two targets that have had the data quality tested:

Four-hour A & E wait: for a walk in patient, the clock start is the point at which the patient is booked onto the patient administration system by the reception staff. For an ambulance arrival, the start is when the ambulance staff book the patient in at ambulance triage reception in line with the definition of when hand over occurs or fifteen minutes after the ambulance arrives at A&E, whichever is earlier. Total time in the department ends when the patient is discharged home, transferred, or admitted onto the system by the clinician who has treated the patient. All patients arriving by ambulance and on foot attending the A & E Department have been included. The source of the data is the Trust's patient administration system, Allscripts PAS.

The reported indicator performance has been calculated based on all patients recorded as having attended the Emergency Department. Completeness of this information is, therefore, dependent on the complete and accurate entry of data at source by the clinician who carries out initial assessment or by the Emergency Department reception. The information provided is complete to the best of the knowledge of the Trust.

For RTT incomplete pathways: referrals to the Trust arrive by two routes a) paper based to a consultant's secretary who date stamps the referral and that date is recorded on the Trust patient administration system as the date when the clock starts and b) via the electronic based 'Choose and Book' system and the clock starts as soon as this electronic referral is received at the Trust. The national standard is that 92 per cent of patients on incomplete pathways should have been waiting no more than 18 weeks from referral to treatment. At the end of each month the percentage of patients who are referred and treated compared to those still waiting is calculated. All consultant referrals are included. The source of the data is the Trust's patient administration system, OASIS.

The reported indicator performance has been calculated based on all patients recorded as having been referred to the Trust for consultant led services and who are on incomplete

pathways at the end of the period. Completeness of this information is therefore dependent on the complete and accurate entry of data at source (referrals received for consultant led services) and the complete recording of all those on incomplete pathways at period end; it is not possible to check completeness to source because referrals may be received through different routes, for example, by letter, fax or via the live 'Choose and Book' system or may have been received in a prior period. Patients who have not been identified within the population will therefore not be included in the indictor calculation. The information provided is complete to the best of their knowledge of the Trust.

3.6 Glossary of terms

A&E	Accident and Emergency (also known as ED)
AAA	Abdominal Aortic Aneurysm
AKI	Acute Kidney Disease
AMBER	A care bundle that is a simple approach when clinicians are uncertain whether a patient may recover and are concerned that they may only have a few months left to live.
ANP	Advance Nurse Practitioner
App	A computing application, especially as downloaded by a user to a mobile device.
Bed Days	Unit used to calculate the availability and use of beds over time
BFI	Baby Friendly Initiative
CAMHS	Child and Adult Mental Health Service
C. diff	Clostridium difficile (C. difficile)
CCG	Clinical Commissioning Group
CHKS	A provider of healthcare intelligence and quality improvement products and services.
CNS	Clinical Nurse Specialist
CONCEPTT	Continuous Glucose Monitoring in Women with Type 1 Diabetes in Pregnancy Trial
CPA	Clinical Pathology Accreditation
CQC	Care Quality Commission
CQUIN	Commissioning for Quality and Innovation payment framework
CT	Computed Tomography
CTG	Cardiotocograph
CVD	Cardiovascular Disease
DATIX	Company name of incident management system
DVD	Optical disc storage format
DVT	Deep Vein Thrombosis
EAU	Emergency Assessment Unit
ED	Emergency Department (also known as A&E)
EDGE	Company that provides Clinical Research Software
EmLap	High Risk Emergency Laparotomy Pathway
ENT	Ear, Nose and Throat
EULAR	European League Against Rheumatism
FCE	Full Consultant Episode (measure of a stay in hospital)
FFT	Friends and Family Test
FY1/FY2	Foundation Year Doctors
GI	Gastrointestinal
GP	General Practitioner
HCAI	Healthcare Associated Infections
HDU	High Dependency Unit
HED	Healthcare Evaluation Data

HES	Hospital Episode Statistics
HPA	Health Protection Agency now called Public Health England
HQIP	Healthcare Quality Improvement Partnership
HSCIC	Health and Social Care Information Centre
ICNARC	Intensive Care National Audit & Research Centre
IPCS	Intermittent Pneumatic Compression
ISO	International Organization for Standardization
KPI	Key Performance Indicator
LocSSIPS	Local Safety Standards for Invasive Procedures
MBC	Metropolitan Borough Council
MCP	Multispecialty Community Provider
MRI	Magnetic Resonance Imaging
MRSA	Methicillin-resistant Staphylococcus aureus
MUST	Malnutrition Universal Screening Tool
NatSSIPS	National Safety Standards for Invasive Procedures
NCEPOD	National Confidential Enquiry into Patient Outcome and Death
NEWS	National Early Warning System
NHSI	NHS Improvement
NICE	National Institute for Health and Care Excellence
NORSe	Network of on-call referral service
NPSA	National Patient Safety Agency
NRSA	National Research Service Award
NVQ	National Vocational Qualification
PCSK9	Proprotein convertase subtilisin/kexin type 9 is an enzyme encoded by the PCSK9 gene in humans on chromosome
PFI	Private Finance Initiative
PLACE	Patient-led Assessments of the Care Environment
PROMs	Patient Reported Outcome Measures
RAG	Red/Amber/Green
RCA	Root Cause Analysis investigation
SHMI	Summary Hospital-level Mortality Indicator
SIRS	Systemic Inflammatory Response Syndrome
SMS	Short Message Service is a text messaging service
STEIS	Strategic Executive Information System is the national database for serious incidents
SUS	Secondary Uses Service
TTO	To take out medications once discharged as an inpatient
UGIB	Upper Gastrointestinal Bleeding
UNICEF	United Nations Children's Fund
VTE	Venous Thromboembolism

Annex

Comment from the Trust's Council of Governors (received 13/04/2018)

During 2017/18, the Council of Governors have worked closely with the Trust and held the non-executive directors (NEDs) to account for the performance of the Board and acknowledge the relentless challenge of ever increasing demand on Trust services against a back drop of severe financial challenge.

Governors fully support the Chief Executive's Statement in Section 1 of this report.

The council is pleased that 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 the choice of priorities. The council welcomes the addition of the two new Quality Priorities for 2018/19 – discharge management and incident reporting.

During the year, the council has received regularly reports and updates on progress made in respect of quality and other indicators. It has been disappointing to note the poor performance in some areas of the national Friends and Family Test (FFTs) and note the decline in percentage recommended scores for the emergency department that has experienced extreme pressure during the year. Governors also note that some priorities still require improvement where the targets had not been fully achieved including pressure ulcers, nutrition and hydration. The Council welcomes the retention of these for 2018/19 where there is still improvement required.

In addition to meetings of the council of Governors and its committees, governors have continued their involvement in Trust governance activity, including Quality and Safety Reviews, PLACE audits and continued membership of Board working groups and committees. Governors meet executive and non-executive directors regularly and are kept informed by the Board about all aspects of Trust activity and performance. The council wishes to place on record that there is ample opportunity for open debate and discussion about steps being taken to address related performance issues. Governors participated in the recent CQC inspection activity where a good proportion of the council met with members of the inspection team and comments were duly noted.

We are pleased to note that patient experience remains the Trust's number one strategic objective and note the increasing amount of feedback received from patients, families and their carers and the continuing improvements made. Examples of which are contained within this report. Our wards, departments and staff continue to receive high level of compliments particularly commenting on caring staff and good treatment.

During the year, the council has actively been involved with strategy development and planning via Board workshops and other fora with particular regard to projects including MCP, Black Country Pathology and quality of transformation projects which will have an impact on all stakeholders and users of healthcare in Dudley. 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, experience and safety. 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 appreciation of the commitment and excellent work done by staff at all levels in the Trust

Comment from the Dudley Clinical Commissioning Group (received 03/05/2018)

We are pleased to comment on the Trusts 2017/18 Quality Account.

Dudley Clinical Commissioning Group (CCG) acknowledges this report reflects a continued focus by the Trust on the delivery of high quality care during a challenging year with increasing demands and financial pressures.

The latter part of 2017/18 has seen the Care Quality Commission (CQC) identify both areas of good practice and areas that require improvements particularly with regards to Urgent & Emergency Care. Whilst the CCG are concerned about some of the findings we have been encouraged by the Trusts commitment to improve services and engage with us and other stakeholders. This partnership working will continue into 2018/19 and we are confident that the efforts will result in significant enhancements to care and additional capacity and capability to deal with the ongoing system pressures.

The Trust has worked collaboratively throughout 2017 as demonstrated by the Maternity Quality Improvement Board. As a result the Maternity Services are able to evidence improvements in the safety and quality of care for mothers and babies; this was acknowledged during the CQC inspection which rated the service as Good. The work undertaken to continually improve investigation of Serious Incidents continues throughout the Trust alongside implementing subsequent recommendations.

The Trust compares well to both neighbouring Trusts and the national position in relation the feedback from patients through the "*Friends and Family Test*". Overall, the work carried out this year to improve the patient experience is encouraging; particularly the efforts to improve the experience of children and families in the hospital with the new play area. The opening of the fruit and vegetable stall at the entrance has shown innovation and has been a great success. There is however, more to do in terms of response rates for complaints. We will continue to pursue the required improvement in this area to ensure that the Trust are as responsive as they can be to patients whose experiences have not been as good as they should have been.

The Trust has continued to achieve a reduction in the number of patients with Clostridium difficile during 2017 and maintained its position of zero MRSA cases this year. We welcome the continued focus on reducing pressure ulcers where targets have not been achieved however positive progress has been made to reduce falls in the hospital. We also recognise significant efforts have been made to achieve challenging CQUIN initiatives this year with particular recognition of the important increase in the level of staff flu vaccinations.

Finally, we have been pleased to see the formation of a closer partnership between our primary care colleagues and the Trust. This new relationship is the foundation of a new era for healthcare in Dudley as we move to a new Multispecialty Community Provider (MCP). We look forward to working with the Trust and all other partners as we believe it is through collaboration and engagement that we will improve access, continuity and coordination of care and the overall health and wellbeing of the people of Dudley.

Yours Sincerely

Paul Maubach
Chief Accountable Officer
Dudley CCG

Comment from Healthwatch Dudley (received 11/05/2018)

Healthwatch Dudley has reviewed the 2017/18 Dudley Group NHS Foundation Trust annual quality report and account, which demonstrates a strong will towards improving patient experience through the Trust's quality priorities.

We note that Friends and Family Test results on the whole show trends predominately in line with the national average and compare favourably with neighbouring Trusts, however, it is concerning to see a decline in the experiences of people accessing the Emergency Department.

People have a right to high quality, safe and efficient health services and should expect for their views to be listened to and acted upon if they have any concerns.

Healthwatch Dudley was part of the Quality Improvement Board, which was set up to oversee and review the process for investigating serious adverse incidents into maternity services at Russells Hall Hospital. Our role was to ensure that the process was transparent and that people who may have been affected really were listened to and supported. It is reassuring to see Maternity Services received an overall 'good' rating by CQC during their inspection in December 2017 and January 2018 together with medical care (including older people's care) and community health services for adults.

It was however disappointing to see CQC rating urgent and emergency services, critical care and services for children and young people as 'inadequate' or 'requiring improvement'.

We note that services have experienced extreme pressures during the year, we hope to be reassured in the coming months that issues are being addressed. Healthwatch Dudley has offered to independently capture patient experience to support this journey.

We can see that a range of innovative methods are being introduced to maintain and improve standards of quality across the Trust and also look forward to seeing the results of these being embedded.

It is further reassuring to see that patient experience is the number one priority for the Trust in the coming year and we look forward to our continued involvement through our contribution to the Patient Experience Group, patient panels, carers tea and chat sessions, PLACE and mini PLACE, all enabling local people to provide meaningful feedback on hospital services.

Healthwatch Dudley volunteers have been positively engaged by the Trust throughout 2017/18 in activity around a number of issues including: accessibility and accessible information, dementia and the hospital environment, so that their views and experiences can influence service delivery.

Healthwatch Dudley is passionate about the Trust achieving the highest quality in all areas and will continue to support in any way possible, to ensure that patient voice stays at the forefront and influences decisions that are made across all service areas.

Jayne Emery

Chief Officer
Healthwatch Dudley

Comment from Dudley MBC Health and Adult Social Care Scrutiny Committee

No comments were received from Dudley MBC Health and Adult Social Care Scrutiny Committee.

Statement of directors' responsibilities in respect of the Quality Report 2017/18

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.

NHS Improvement 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 2017/18 and supporting guidance
• the content of the Quality Report is not inconsistent with internal and external sources of information including:
o board minutes and papers for the period April 2017 to March 2018
o papers relating to quality reported to the board over the period April 2017 to March 2018
o feedback from commissioners dated 03/05/2018
o feedback from governors dated 13/04/2018
o feedback from Dudley Healthwatch dated 11/05/2018
o the trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated May 2018
o the national patient survey was published May 2017
o the latest national staff survey 2017
o the Head of Internal Audit's annual opinion of the trust's control environment dated 22/05/2018
o CQC inspection report dated April 2018
• 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 NHS Improvement's annual reporting manual and supporting guidance (which incorporates the Quality Accounts regulations) as well as the standards to support data quality for the preparation of the Quality Report.

The directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the Quality Report.
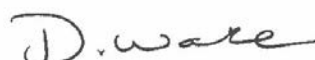
By order of the board

Signed: Signed:
Date: 22nd of May 2018   Date: 22nd of May 2018

Jenni Ord   Diane Wake
Chairman   Chief Executive

Independent Auditor's Report to the Council of Governors of The Dudley Group NHS Foundation Trust on the Quality Report

We have been engaged by the Council of Governors of The Dudley Group NHS Foundation Trust to perform an independent assurance engagement in respect of The Dudley Group NHS Foundation Trust's Quality Report for the year ended 31 March 2018 (the 'Quality Report') and specified performance indicators contained therein.

Scope and subject matter

The indicators for the year ended 31 March 2018 subject to limited assurance (the "specified indicators") marked with the symbol Ⓐ in the Quality Report, consist of the following national priority indicators as mandated by Monitor (operating as NHS Improvement (NHSI)):

Specified Indicators	Specified indicators criteria (exact section the Quality Report where criteria can be found)
Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways.	3.5 "Our performance against the thresholds set out in the Risk Assessment and Single Oversight Frameworks of NHS Improvement"
Percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge.	3.5 "Our performance against the thresholds set out in the Risk Assessment and Single Oversight Frameworks of NHS Improvement"

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 for foundation trusts 2017/18" issued by NHSI.

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 the FT ARM and the "Detailed requirements for quality reports for foundation trusts 2017/18";
- 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 FT ARM and the "Detailed requirements for external assurance for quality reports for foundation trusts 2017/18".

We read the Quality Report and consider whether it addresses the content requirements of the FT ARM and the "Detailed requirements for quality reports for foundation trusts 2017/18"; 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 2017 and up to the date of signing this limited assurance report (the period);
- Papers relating to quality report reported to the Board over the period April 2017 to the date of signing this limited assurance report;
- Feedback from the Commissioners Dudley Clinical Commissioning Group dated 03/05/18;
- Feedback from Governors dated 13/04/18;
- Feedback from Local Healthwatch organisation Healthwatch Dudley dated 11/05/18;
- The Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 10/05/18;
- The latest national and local patient survey dated 31/05/17;
- The latest national and local staff survey dated 2017;
- Care Quality Commission inspection report, dated 18/04/18; and
- The Head of Internal Audit's annual opinion over the Trust's control environment dated 22/05/18.

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) 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 Council of Governors of The Dudley Group NHS Foundation Trust as a body, to assist the Council of Governors in reporting The Dudley Group NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2018, to enable the Council of Governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicators. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors as a body and The Dudley Group NHS Foundation Trust for our work or this report 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 the "Detailed requirements for quality reports for foundation trusts 2017/18";
- 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 and "Detailed requirements for quality reports for foundation trusts 2017/18"and the Criteria referred to above.

The nature, form and content required of Quality Reports are determined by NHSI. 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.

Basis for Disclaimer Conclusion – Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period

The 18 week indicator is calculated each month based on a snapshot of incomplete pathways and reported through the Unify2 portal. The data reported is subsequently updated by the Trust for any identified errors through a monthly validation process. The process is, however, not applied to the whole data set, as it focuses only on the cases exceeding the 18 week target, and it is run on the final Sunday of the month and not at period end. This process operates similarly across the NHS.

In our testing we found three instances of cases where the clock had not been stopped on a timely basis following a qualifying stop event. The result was that those patients were incorrectly reported within the indicator until they were picked up by the validation team.

The use of data based on the final Sunday of the month rather than the final day also means that any changes in the data during the last days of the month would not be captured. This would include newly referred patient clock starts, clock stops and any patients moving across the eighteen week threshold. In our testing, we found one instance where the clock was stopped on the last day of the month but still included in the reported figures as an incomplete pathway due to the report being run on the incorrect date.

The Trust was not able to review and update the whole data set used to calculate the indicator. Therefore, we were unable to access accurate and complete data to check the waiting period from referral to treatment reported across the year.

Basis for Disclaimer Conclusion - Percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge

Under NHSI's guidance for "the Percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge", there is provision for a Trust to report combined figures for themselves and any co-located independent service provider operating alongside them. The Dudley Group of Hospitals NHS Foundation Trust choose to do this by reporting their own figures for the type 1 A&E facility combined with Malling Health's figures for the type 3 Urgent Care Centre. Attendances at the Urgent Care Centre account for 38.95% of the patients reported by the Trust during the year. Due to patient confidentiality, the Trust and Malling Health cannot access each other's systems. We have been unable to access Malling Health' data and therefore cannot form a view on the accuracy of the reporting. This is an issue that has been identified at a number of trusts with third party hosts for Type 3 facilities.

In addition to the point above, our testing found one instance where a patient was recorded as treated in the type 1 facility and then discharged to the type 3 facility. NHSI's guidance sets out that patient activity should only be recorded by one of the two providers when they report figures combined, so the Trust's current methodology would result in the same patient being counted twice. The total number of patients referred from the type 1 facility to the type 3 facility who may have been double counted is 3.57% of the patients who attended A&E.

We also found that start clocks for ambulance arrivals are not being captured accurately. NHSI's definition for "the Percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge" specifies that the clock start time for patients arriving by ambulance is when hand over occurs, or 15 minutes after the ambulance arrives at A&E, whichever is earlier.

The Trust receives data from the Ambulance Trust on ambulance arrival times; however, because of issues with the completeness and accuracy of the data received, the Trust is unable to determine the ambulance arrival time (plus 15 minutes) for each patient arriving by ambulance. The Trust does not have another reliable method as a proxy for ambulance arrival time (plus 15 minutes). Consequently, the Trust has been unable to demonstrate that for 2017/18, using the ambulance arrival would not impact on overall reported performance. The total number of arrivals by ambulance make up 22.82% of patients who attended A&E. The issue of difficulty in measuring ambulance arrival time due to lack of accurate data has been identified across a number of trusts, nationally.

The patient activity affected by the issues above makes up 65.34% of the attendances in the indicator population for The Dudley Group of Hospitals NHS Foundation Trust during 2017/18.

Disclaimer of conclusion/Qualified conclusion

Because the data required to support the Incomplete Pathways indicator is not available, as described in the Basis for Disclaimer of Conclusion paragraph, we have not been able to form a conclusion on the incomplete pathways indicator.

Because the data required to support the "Percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge" indicator is not available, as described in the Basis for Disclaimer of Conclusion paragraph, we have not been able to form a conclusion on the indicator.

In addition, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2018:

- The Quality Report does not incorporate the matters required to be reported on as specified in the FT ARM and the "Detailed requirements for quality reports for foundation trusts 2017/18"; and
- The Quality Report is not consistent in all material respects with the documents specified above.

PricewaterhouseCoopers LLP.

PricewaterhouseCoopers LLP
Cornwall Court, Birmingham

Date: 25 May 2018.

The maintenance and integrity of The Dudley Group NHS Foundation Trust's 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.

If you would like this letter or information in an alternative language or format, for example in large print or easy read, or if you need help with communicating with us, for example because you use British Sign Language, please let us know. You can call us on 0800 073 0510 or email PALS@dgh.nhs.uk or write to Patient Advice and Liaison Service.

إذا كنت ترغب في أن تكون هذه الرسالة أو المعلومات بلغة أو قالب بديل، على سبيل المثال في خط أكبر أو سهلة القراءة، أو إذا كنت بحاجة إلى مساعدة في التواصل معنا، على سبيل المثال، لأنك تستخدم لغة الإشارة البريطانية، يرجى إخبارنا بذلك. يمكنك الاتصال بنا على 0800 073 0510 أو على البريد الإلكتروني PALS@dgh.nhs.uk أو الكتابة إلى مشورة المريض أو خدمة التنسيق.

如果你想要得到这封信或这份资料的其他语言或格式的版本，例如大号字体版本或易读版本，或者如果您在与我们沟通方面需要帮助（例如因为你用英国手语而需要手语翻译），请告诉我们。您可以致电给0800 073 0510 或发电邮到PALS@dgh.nhs.uk，也可以写信给病人建议与联络服务中心。

Jeżeli chcą Państwo otrzymać ten list lub jakieś informacje w innym języku lub formacie, np. wydrukowany dużym drukiem lub w wersji uproszczonej bądź jeżeli potrzebują pomocy w komunikacji z nami, np. ponieważ używają brytyjskiego języka migowego, prosimy dać nam znać. Można do nas zadzwonić pod numer 0800 073 0510, wysłać nam e-mail PALS@dgh.nhs.uk lub napisać do Biura Porad dla Pacjentów (ang. Patient Advice and Liaison Service – PALS).

ਜੇਤੁ ਸੀਂ ਇਹ ਚਿੱਠੀ ਜਾਂ ਜਾਣਕਾਰੀ ਕਿਸੇਬ ਦਲਵੀਂ ਭਾਸ਼ਾ ਜਾਂ ਰੂਪ ਵਿੱਚ ਲੈਣੀ ਚਾਹੋ, ਉਦਾਹਰਨ ਲਈ ਵੱਡੇ ਅੱਖਰਾਂ ਵਿੱਚ ਜਾਂ ਆਸਾਨੀ ਨਾਲ ਪੜ੍ਹੇ ਜਾ ਸਕਣ ਵਾਲੇਰੂ ਪ ਵਿੱਚ, ਜਾਂ ਜੇਤੁ ਹਾਨ੍ਹੂੰ 'ਡੇਨ ਾਲ ਗੱਲਬਾਤ ਕਰਨ ਵਿੱਚ ਮਦਦ ਚਾਹੀਦੀ ਹੋਵੇ ਉਦਾਹਰਨ ਲਈ ਕਿਉਂਕਿ ਤੁਸੀਂ ਬ੍ਰਿਟਿਸ਼ ਸਾਈਨ ਲੈਂਗਵੇਜ ਦੀ ਵਰਤੋਂਕ ਰਦੇਹੋ, ਤਾਂ ਕਿਰਪਾ ਕਰਕੇਸ ਨੂੰਦ ੋ ਸੋ। ਤੁਸੀ ਸਾਨੂੰ 0800 073 0510 'ਤੇ ਕਾਲ ਕਰ ਸਕਦੇਹੋ ਜ † PALS@dgh.nhs.uk 'ਤੇ ਈਮੇਲ ਕਰ ਸਕਦੇਹੋ ਜ † ਪੇਸ਼ੈਂਟ ਐਡਵਾਇਸ ਐਂਡ ਲਿਏਜਨ ਸਰਵਿਸਨੂੰਭ ੋਤਰ ਲਿਖ ਸਕਦੇਹੋ।

Daca doriti sa primiti aceasta scrisoare sau aceste informatii intr-o alta limba sau intr-un format alternativ (de exemplu, tiparit mare sau text simplificat) sau daca aveti nevoie de ajutor pentru a comunica cu noi (de exemplu, pentru ca aveti nevoie de un interpret in limbajul semnelor), va rugam sa ne anuntati. Puteti sa ne sunati la numarul de telefon 0800 073 0510 sau ne puteti trimite un e-mail la adresa PALS@dgh.nhs.uk; alternativ, puteti scrie Serviciului de Consultanta si Legatura pentru Pacienti.

اگر آپ کو یہ خط یا معلومات کسی متبادل زبان یا فارمیٹ میں، مثلاً بڑے حروف یا پڑھنے میں آسان متن درکار ہو یا آپ کو ہمارے ساتھ ابلاغ میں مدد درکار ہو مثلاً اگر آپ برٹش سائن لینگوئج استعمال کرتے ہوں، تو برائے مہربانی ہمیں بتائیں۔ ہمیں آپ 0800 073 0510 پر کال کر سکتے ہیں یا PALS@dgh.nhs.uk پر ہمیں ای میل بھیجیں یا پیشنٹ ایڈوائس اینڈ لیزان سروس کو خط لکھیں۔