

The Royal Wolverhampton



NHS Trust

Annual Report 2015-16



Safe &
Effective

Kind &
Caring

Exceeding
Expectation

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Introduction to Annual Report 2015/16

Welcome

Welcome to this new Annual Report about The Royal Wolverhampton NHS Trust (RWT). We currently run health services in more than 20 settings across Wolverhampton, Cannock and the surrounding areas. Each day during 2015/16 thousands of patients and carers received care and support from our busy workforce.

2015/16 was a year of consolidation following several major service changes which affected our Trust in 2014, the most notable being the disaggregation of the former Mid Staffordshire NHS Foundation Trust. Several major initiatives also came to fruition – pre-eminent amongst them being the opening in November 2015 of a new Urgent & Emergency Care Centre at New Cross, Wolverhampton – but a series of other key developments occurred elsewhere. For example, considerable changes and improvements were made at Cannock Chase Hospital to enable both existing and newly expanded services to offer more care, including the building of

new operating theatres and endoscopy facilities. Also central to 2015 was a comprehensive planned inspection by the Care Quality Commission (CQC) across all core services in the newly expanded Trust, resulting in a largely positive public report, rating 29 out of 36 domains as either Good or Outstanding. Our services for Community Inpatient Adults, Community Adults, Community Children & Young People, and End of Life Care were all rated Good by the CQC. Whilst the overall rating for the Trust's Safe and Well Led domains is currently "Requires Improvement", the report identifies strong and respected senior leadership at Board level, and overall these are encouraging achievements, especially for some services only recently taken on by RWT. The overall CQC Inspection rating remains subject to appeal.

Further evidence of a well performing Trust emerged from the NHS staff survey, which found our workforce to be improving in satisfaction and above national

averages for almost all the opinions researched. All of these accomplishments were delivered by a busy (and frequently stretched) but highly motivated workforce, which nonetheless kept existing services running safely and at high levels of quality. For example, attendances at the Emergency Departments rose again by 9.1% to 127,906, the number of day case operations expanded by 15.1% to 58,815 and the volume of births grew by 9.1% to 4714.

Despite the business successes highlighted above, and the elevated pressures on many services, patient safety does not change as our number one priority. In addition to the standard annual accreditations that we achieve across our services, we had a number of Clinical Commissioning Group Clinical Quality Reviews (of transfer from hospital inpatient to intermediate care, Ward C22, review of critically ill children, Deanesly Centre/Durnall including radiotherapy, Cannock Hospital, Emergency Department, and Anaesthetics and Theatres).



Generally the outcomes were very positive; any recommendations resulted in action plans which were shared and monitored jointly, which reflects and reinforces our assurance relationship with the Commissioners of our services. Patient experience is carefully monitored within the Trust, not least by the Trust Board whose monthly agenda includes a replay of a patient story, followed by a discussion of lessons learned. The Board also takes a keen interest in complaints, and the work of the Patient Advice and Liaison Service within the Trust.

Behind the headlines about core services to patients come our business qualities – the sustained level of performance against the portfolio of contracts we are responsible for delivering, and the financial results and standing of the Trust. In all these respects, 2015/16 was another solid year. We met the vast majority of our contractual obligations, investing over £36.2m in capital developments (including £10m at Cannock Chase Hospital) as we steadily rebuild the facilities for our growing patient population, and finished the year with a (Trust Development Authority adjusted) net surplus of £153,000 - one of few NHS Trusts (locally and nationally) able to deliver a surplus in this heavily strained financial year. In the previous year the Trust's turnover was £462m, however primarily due to the first full year effect of the acquisition of Cannock Chase Hospital the revenue income in 2015/16 had grown to £509m. This continued notable recent growth in business may be gauged by the sustained rise in turnover, from just £177m in 2003/4.

But business in health is not just about robotically spending cash. The efficiency of staff and asset use is being increasingly focussed upon as the NHS struggles

to resource growing levels of demand from a more restricted financial envelope and without reducing quality or service range. The Trust participated in the Lord Carter efficiency initiative and on early findings was deemed modestly more efficient than average acute Trusts, but with scope to do more.

As ever in a large and busy Trust, the year was marked by innumerable key visits, occasions for celebration and instances of memorable good work. Amongst these were the Hospital In-reach Team and Ward C41 being shortlisted for Nursing Times Awards in the categories - Integrated Approaches to Care and Nurse-led procedures for abdominal paracentesis respectively.

Trust staff work hard to provide good patient care and experiences, meet financial responsibilities and other important standards. They often work under great pressure, as demand for our services grows. Without their commitment, loyalty and hard work we could not have achieved the things we did during the year, nor could we aspire to greater things to come. I wish to place on record my gratitude for the hard work and professionalism of our employees. The Trust also benefits from having a body of keen and dedicated volunteers who are involved in many ways to help our patients and make their experience better.

At every step of this demanding but proud year of resilience and consolidation, the Trust has worked in strong partnership with all the key agencies in what we describe as the Wolverhampton Health Economy – in particular Wolverhampton City Council and Wolverhampton Clinical Commissioning Group,

plus a large number of voluntary organisations and leading statutory bodies, such as Healthwatch Wolverhampton, the Health & Wellbeing Board and Overview & Scrutiny Panel. The Trust is grateful for the support, constructive challenge and active collaboration from all of our partners. We were delighted to use the opening of the new Urgent & Emergency Care Centre to showcase the new build and thank all of the partners who had helped in its genesis and planning.

Put simply, none of the developments mentioned above could or would have been achieved without solid partnership involvement and support for the Trust in its ambitions. Last year we said that "Partnership is now the future direction outlined in all current NHS strategies", and our anticipation was well founded. The Royal Wolverhampton NHS Trust must now to focus its own service development strategy within a more overt recognition of the planned needs of the Black Country and South Staffordshire health economies. To this end we continue to equip our workforce with the skills in communication, collaboration and systems leadership that they will need to keep health services in and around Wolverhampton developing in an era where collaboration is the key to success, and resources need to be efficiently used in every aspect of high quality patient care.



A handwritten signature in black ink that reads "Jeremy Vanes".

Jeremy Vanes
Chairman

Performance Report

A1 - Performance Overview

Statement from the Chief Executive providing his perspective on performance over the period

Despite growing demand for our services, and increasing financial pressures, in 2015/16 the Trust performed very well overall, not only making progress in delivering its services but also identifying a new strategic direction and developing new initiatives. We opened the new Emergency Centre on time and on budget, made good progress towards starting a pilot vertical integration scheme with some local GP practices, developed innovative and imaginative methods to recruit nurses, carried out a large capital programme of minor works and equipment renewals to benefit patients, took steps to develop, in conjunction with our local University, the education and training of healthcare professionals (including an innovative scheme to develop Middle grade doctors), and ended the year in surplus.

However, there were a number of recurring concerns during the year, including key operational delivery challenges around the four hour accident and emergency standard, the target for getting cancer patients from referral to first treatment within 62 days, delayed transfers of care, and the number of cases of the infection *C.difficile*. The Trust has implemented a number of remedial action plans to address these concerns including a deep clean programme of wards that

was instituted when decant facilities became available during the year. Challenges in relation to safer staffing also featured prominently during the year, due to vacancies, a turnover rate of 9%, and high levels of maternity leave in some areas. Innovative recruitment drives at home and abroad yielded some results. Staffing issues were also reflected in other areas, particularly medical posts in the Emergency Department and junior doctor vacancies. The Trust made considerable savings through its cost improvement programme, but could not meet its target for the year. In June 2015 the CQC carried out a comprehensive inspection of the Trust. Although areas of 'good' and 'outstanding' practice were noted, the inspection found a number of areas 'requiring improvement'; the subsequent CQC report classified the Trust as overall "requiring improvement". A detailed action plan was developed and most of the actions have been completed. The Trust appealed against a number of areas within the report, and this matter has not yet been concluded. It was disappointing that uptake of the flu vaccine by frontline staff was lower than recorded the previous year.

An emerging trend was an increase in the number of patients falling with significant harm at the point when they are ready to

be discharged. More positively, the year ended with a lower rate of falls than it began with. The number of complaints reduced, but this was not reflected in the scores achieved in the Friends and Family Test, and this was a matter of concern and investigation. The new medical model which we implemented in the new Emergency Department (ED) appeared to be starting to make a positive impact on the number of admissions by the end of the year; this has also helped to improve bed flow. Work was continuing, though, to improve the timeliness of first assessments in the ED. By the end of March 2016 the medical appraisal compliance rate stood at 99.7%.

The employees of the Trust have worked hard to provide services for our community, and once again I wish to express my appreciation for their commitment and professionalism.



David Loughton, CBE
Chief Executive

Statement of the purpose and activities of the organisation (What we do)

The Royal Wolverhampton NHS Trust is a statutory body which came into existence on 1 April 1994 under The NHS Trust (Establishment) Order 1993, No 2574. It is a major acute and community Trust providing a comprehensive range of services for the people of Wolverhampton, the wider Black Country, South Staffordshire, North Worcestershire and Shropshire. It gained Cancer Centre status in 1997, was designated as the 4th Regional Heart & Lung Centre during 2004/05 and became one of the first wave Bowel Screening Centres in 2006. The Trust is the largest teaching hospital in the Black Country providing teaching and training to more than 130 medical students on rotation from the University of Birmingham Medical School. It also provides training for nurses, midwives and allied health professionals through well-established links with the University of Wolverhampton. During 2014 it was established as the Host for the Clinical Research Network: West Midlands. On 1 November the Trust acquired services and assets, including Cannock Chase Hospital, from the Mid Staffordshire NHS Foundation Trust. From 1 June 2016 the Trust entered into an agreement with certain Wolverhampton GP practices for a pilot model of vertical integration of services.

With an operating budget in excess of £521m (for 2016/17) the Trust is one of the largest acute and community providers in the West Midlands having more than 800 beds on the New Cross site including intensive care beds and neonatal intensive care cots. It also has 82 rehabilitation beds at West Park Hospital and 54 beds at Cannock Chase Hospital. As the second largest employer in Wolverhampton the Trust employed 8141 staff on 31 March 2016.

The Trust provides its services from the following locations:

- New Cross Hospital – secondary and tertiary services including cardiology, oncology, gastroenterology, gynaecology, paediatrics, ophthalmic, renal, respiratory, urology, trauma and orthopaedic, stroke, care of the elderly, maternity, Accident & Emergency, critical care and outpatients;
- West Park Hospital – rehabilitation inpatient and day care services, therapy services and outpatients;
- More than 20 Community sites – community services for children and adults, Walk in Centres and therapy and rehabilitation services; and
- Cannock Chase Hospital – general surgery, orthopaedics, breast surgery, urology, dermatology, and medical day case investigations and treatment (including endoscopy)





The Trust has an excellent reputation for its clinical services and for whole system transformation in the delivery of clinical care, service reform and partnership working.

Delivering its services from a number of locations including outreach clinics it fulfils two main roles:

- The provision of top quality emergency, community and secondary care services for our local population; and
- Tertiary and specialist services both independently and through clinical networks to the wider population of the West Midlands and beyond.

Our local population – some public health indicators

According to the Wolverhampton Health Profile 2015 produced by Public Health England, the health of people in Wolverhampton is generally worse than the England average. Deprivation is higher than average and about 30.2% (15,000) children live in poverty. Life expectancy is 8.4 years lower for men and 5.8 years lower for women in the most deprived areas of Wolverhampton than in the least deprived areas. In school year 6, 26.3% (711) of children are classified as obese, worse than the average for England. Levels of teenage pregnancy, GCSE attainment, breastfeeding and smoking at time of delivery are worse than the England average. Figures from 2012 revealed that 28.5% of adults were obese; the rate of alcohol related harm hospital stays was 851 per 100,000; and rates of self-harm hospital stays, smoking related deaths, Sexually Transmitted Infections and Tuberculosis were also worse than the English average.

Activity Overview

The Trust substantially met its objectives for 2015/16 and has successfully met or exceeded some very challenging targets, treating more patients than ever before. Our activity, shown for Acute, Specialist Services and Community Services, is shown below:

Acute and Specialist Services				Percentage difference		
Year	2013/2014	2014/2015	2015/16	2012/13 - 2013/14	2013/14 - 2014/15	2014/15 - 2015/16
Inpatient (FCEs)						
Admission Method:						
Emergency	60,596	64,133	66,153	7.9%	5.8%	3.1%
Elective	8,741	8,755	8,495	-10.9%	0.2%	-3.0%*
Daycase	45,633	51,096	58,815	1.7%	12.0%	15.1%
Transfers	1,336	1,357	1,150	2.0%	1.6%	-15.3%
Regular Day Admissions	30,781	30,824	30,977	1.7%	0.1%	0.5%
Maternity	9,039	9,457	10,008	0.5%	4.6%	5.8%
Births	4,292	4,320	4,714	3.9%	0.7%	9.1%
Clinical Decision Unit	0	4,283	6,591	-	-	20.4%
Total	160,418	174,225	186,433	3.1%	8.6%	7.0%
Outpatient (Attendances)						
Patient Type:						
New	166,641	188,994	236,147	3.8%	13.4%	24.9%
Review	383,589	430,746	536,195	2.3%	12.3%	24.5%
Total	550,230	619,740	772,342	2.8%	12.6%	24.6%
Referrals						
Total by GP	101,038	114,582	152,950	7.5%	13.4%	33.5%
A&E Attendances						
New Cross A&E (Type1)	109,375	117,290	127,906	2.4%	7.2%	9.1%
Cannock Minor Injuries Unit		1,115	13,124			1077.0%

NB: Transfers reduced in 2015/16 due to a change in recording on the Trusts' Patient Administration System (PAS) due to the acquisition of Cannock Hospital under The Royal Wolverhampton NHS Trust. The acquisition of services from MSFT has also resulted in an increase in activity across a number of areas over the past two years, as additional services transferred during each financial year. The Cannock Minor Injuries Unit began being managed by the Trust from March 2015.

The previously published figure for the Clinical Decision Unit (CDU) for 2014/15 incorrectly showed only patients discharged from CDU rather than attending the unit. This has been changed as part of the 2015/16 publication.

*This reflects the increasing scope for the use of day-case procedures.

Community Services				Percentage difference		
Year	2013/2014	2014/2015	2015/2016	2012/13 - 2013/14	2013/14 - 2014/15	2014/15 - 2015/16
Inpatient (FCEs)						
Finished Consultant Inpatient Episodes	906	946	794	5.3%	4.4%	-16.1%
Outpatient (Attendances)						
Patient Type:						
New	1,931	2,076	1,951	-0.1%	7.5%	-6.0%
Review	3,991	3,973	4,009	-4.0%	-0.5%	0.9%
Total	5,922	6,049	5,960	-2.7%	2.1%	-1.5%
Community Contacts						
First	53,142	54,020	56,133	-7.9%	1.7%	3.9%
Subsequent	449,414	463,355	458,122	-0.5%	3.1%	-1.1%
Total	502,556	517,375	514,255	-1.3%	2.9%	-0.6%
Referrals						
GP and Other	71,864	73,068	74,141	-3.3%	1.7%	1.5%
A&E Attendances						
Phoenix Walk in Centre Attendances	35,179	36,740	38,824	-2.8%	4.4%	5.7%

NB: There has been a reduction in the number of beds available at West Park Hospital since August 2015 due to a planned commissioning intention change.



Our Vision and Values (How we do it)

Underlying everything it does are the Trust's vision and values which were refreshed during the year and are as follows:

Safe & Effective	Kind & Caring	Exceeding Expectation
<ul style="list-style-type: none"> We will work collaboratively to prioritise the safety of all within our care environment 	<ul style="list-style-type: none"> We will always demonstrate a person centred approach 	<ul style="list-style-type: none"> We will always look for ways to improve our evidenced based practice and performance
<ul style="list-style-type: none"> We will always communicate clearly 	<ul style="list-style-type: none"> We will always act in a way that is respectful to others, our profession and ourselves 	<ul style="list-style-type: none"> We will always provide a learning and supportive culture
<ul style="list-style-type: none"> We will always raise concerns immediately and constructively 	<ul style="list-style-type: none"> We will act in the best interest of others at all times 	<ul style="list-style-type: none"> We will demonstrate positive attitudes to inspire others to achieve outstanding experiences
<ul style="list-style-type: none"> We will be open and candid with persons in our care and with colleagues 	<ul style="list-style-type: none"> We will always make time to listen 	<ul style="list-style-type: none"> We will not accept mediocrity
<ul style="list-style-type: none"> We will always work within our sphere of competence and maintain our knowledge and skills 	<ul style="list-style-type: none"> We will go out of our way to make others feel valued for their efforts and achievements 	<ul style="list-style-type: none"> We will grow a reputation for excellence as our norm

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Our strategic objectives and the risks to achieving them

The Trust reviewed and refreshed its strategic objectives with effect from 1 April 2015, and redefined them as follows:

1. To improve the culture of compassion, safety and quality in every department and service we offer.
2. To build a reputation for excellence by achieving top 25% performance against key measures.
3. To pro-actively seek opportunities to improve health services in our local health economy through collaboration and supportive partnerships.
4. To have an effective, well integrated organisation which operates efficiently.
5. To maintain the financial health of the organisation and seek appropriate investment opportunities that enable further enhancement of patient services.
6. To attract, retain and develop all employees and improve employee engagement year on year.

The Trust's risk and assurance framework is more fully described in the Annual governance Statement (page 36). The Board has identified a number of key risks to the achievement of its strategic objectives in 2016/17:

- Workforce – Recruitment and retention of staff across the Trust
- Competition causing a significant shift in activity
- Potential impact on income due to enacted Commissioner intentions
- Failure to deliver recurrent CIPs
- Risk that financial balance (and surplus) is not achieved
- Insufficient cash generation
- Condition of the existing estate – quality and flexibility
- Risk that staff retention and development costs are unaffordable

Going Concern

It is clear that the Trust should account on a going concern basis as there is no case for the Trust ceasing the provision of services, evidenced by published documents with regard to the 2016/17 Financial and Performance Plan, as well as other strategic documentation.

As an existing trading entity, the Trust is not likely to be wound up and as such, it can be concluded that the Trust is a going concern. This is reaffirmed by the Trust's Statement of Financial Position as at 31 March 2016.



Performance Summary (What we achieved)

As already stated, 2015/16 was another very busy year for the Trust, and a large number of patients were cared for. Of course, our performance is not just about the numbers of patients and procedures, central though that is, but encompasses the way the whole organisation works to support patient care, including finances, human resources, and management of our estates. Highlights from of the Trust's performance during the year under review are the following:

- Supporting the opening and teaching at the Health Futures University Technical College in West Bromwich, the first such institution in England specialising in health services.
- Investing in the development and enhancement of patients' facilities and services in Community Services and at New Cross Hospital, including replacement of the first of our linear accelerators (used for radiography treatment in the Deanesly Centre).
- Opened the new Emergency Department with its improved patient pathways and associated patient flows.
- Effectively recruiting doctors, nurses and midwives - including attracting and recruiting nurses from overseas.
- Continued to train staff about bereavement and customer care.
- Achieving good performance against most targets, in the context of increasing demand, for example percentage of patients with fractured neck of femur undergoing surgery within two days of admission 97.22% (target 80%), patients referred with suspected cancer 94.85% (target 93%), patients offered an appointment in GUM within 48 hours 100%, and patients waiting no longer than 31 days from diagnosis of cancer to first treatment 96.79% (target 96%).
- The Trust medical appraisal compliance rate increased by 10.8% during the years 2013/14 (88.9%) and 2015/16 (99.7%). All RWT doctors who were in post at January 2013 (and are still in post) have been revalidated, so that as at 31 March 2016 373 doctors with a prescribed connection to the Trust had been revalidated.
- Delivering a net financial surplus, and achieving all of its statutory financial targets.
- Securing clinical income in excess of that secured during the previous year.
- Negotiated with commissioners for annual contracts which were realistic and deliverable, securing the ability to continue to provide high quality efficient services for our population.
- Engaged as appropriate in the tendering process for new business opportunities or to retain services currently provided.
- Worked with certain local GPs to develop a ground breaking pilot vertical integration scheme, bringing primary and secondary care together for the benefit of local patients.
- Successfully hosting the West Midlands Local Clinical Research Network for the second year since its establishment in April 2014. With a budget of £29.725m core funding (plus non recurrent £0.9m in Research Capability Funding), it remains one of the largest networks in England. This year saw the network finish in the number one position (out of 15) for patient recruitment with over 61,000 patients entering clinical trials across the West Midlands.
- Consolidating the development of Cannock Chase Hospital, with new theatres, ward refurbishments, regenerated kitchens, rheumatology facilities and daycare facilities (on Level 3) coming on stream.
- Continuing to support the development of the Post- Graduate Academic Institute of Medicine in partnership with the University of Wolverhampton and other trusts.
- Developing the RWT Clinical Fellowship Programme.
- Undertook much activity with local children and young people to provide insight into our work, and possible employment and career options.

There is always a danger that areas of our work whose performance is not measured in a high profile way get overlooked. However this Trust has a network of services which run effectively, often in the background, with little acclaim, without which direct work with patients would be diminished, or even impossible. Such services include our grounds and estates maintenance, transport, portering, catering, housekeeping, IT, corporate services such as finance and human resources, governance, procurement, security, and the mortuary. Taken together, it is the combined effort of every member of staff, whatever their role, which enables the Trust to provide high quality and effective services.

A number of challenges were faced during the year, notably:

- Shortages of staff, particularly doctors, nurses, and radiologists.
- The high level of savings required under the Cost Improvement Programme; we made many savings, but many were non-recurring, and we missed the overall target.
- Whilst much good work and progress was done around infection prevention, the number of *C.difficile* infections considerably exceeded the target. Staff hand hygiene training also fell below the expected level of attainment in certain staff groups.
- Activity levels were not as high as forecast in some specialties, which reduced income to the trust, but demand was higher than ever in the Emergency Department and assessment units with a knock on effect for patient flow through New Cross hospital, compounded at certain times by delays in discharging patients.

- Where possible patients will not have their operation cancelled at short notice = 0.69% (target <0.8%).
- Percentage of patients with fractured neck of femur undergoing surgery within two days of admission = 97.22% (target 80%).
- Patients offered an appointment in Genital - Urinary Medicine Clinic within 48 hours = 100%.

Other areas within the Trust have faced significant challenges this year, and these include:-

- Patients treated/admitted from A&E with 4 hours = 91.76% (target 95%).
- Ambulance handover = 584 (30-60 minute) breaches and 46 (>60 minute) breaches ((improved from the previous year – see below).
- Falls resulting in serious harm = 53 (this is a decline from last year, however, a new falls group has been set up, the group will look at 3 work streams regarding current policy/process, training and awareness raising in line with National events).
- Delayed Transfers of Care = 6.53% (target <4%), however, our performance excluding social care delays = 2.92%.
- *C. Difficile* = 73 cases (year-end target of 35).
- Patients with a diagnosis of cancer will wait no longer than 62 days = 76.14% (target 85%); the Trust has a detailed remedial action plan in place to address this performance and has also had a visit from the Intensive Support Team during the year.

A2 Performance Analysis

The Trust has a robust and effective governance framework in place to provide assurance and monitor organisational performance. The Board of Directors, Board Committees, and Executive Director level groups receive monthly performance reports which present performance against national and local targets/priorities. The reports adopt a risk-based approach so that variances in performance against the agreed plans and action plans to address any issues are highlighted to the Executive Team and Board of Directors.

Some highlights of our performance against our key performance indicators are given below, demonstrating that during 2015/16 the Trust performed well against the following key targets:

- MRSA = 0 cases in year against a target of 0.
- 18 weeks referral to treatment incomplete pathways = 93.08% (target 92%).
- Patients to be seen within 2 weeks of referral for all suspected cancers = 94.85% (target 93%).
- Patients to wait no longer than 31 days from diagnosis of cancer to first treatment = 96.79% (target 96%).
- Stroke - Percentage of patients that have spent 90% or more of their stay in hospital on ASU = 84% (target 80%).
- Patients with stable or unstable angina to be seen within 14 days in the Rapid Access Angina Clinic, with onset of chest pain = 98.1% (target 98%).



We offer the following additional information about some of these performance indicators:



Cancelled operations at short notice - The Trust achieved this target with a year-end performance of 0.69% against a target of <0.8%. Lack of bed capacity was the largest cause for cancelled operations on the day of surgery during the year, representing over 38% of the total cancellations. The second largest reason was running out of theatre time at over 24%, this is largely due to complex cases taking longer than anticipated thus leaving no time to finish the scheduled list.

Patients treated/admitted from A&E within 4 hours - We have seen increased numbers through the Emergency Department during the whole of 2015/16, with an additional 10,616 (9.1%) attendances at the New Cross site and 2,084 (5.7%) at the Phoenix Walk in Centre. On an average basis, this equates to an additional 30 days activity at New Cross and 20 days at the Phoenix Walk in Centre. The Trust opened the new Emergency Department during November 2015.

Ambulance Handover - The Trust saw a significant increase in ambulance conveyance numbers during the year with an additional 2,156 (4.88%) ambulances. However, we saw a decrease in handover breaches with 97 less breaches than the previous year.

18 weeks Referral to Treatment – Incomplete - The Trust has maintained the headline position for this target throughout the year; however, we have failed to achieve this for some specialities. This is largely due to high demand on some services and recognised staff shortages in certain specialties. This is a recognised national position.

Patients with a diagnosis of cancer will wait no longer than 62 days - The Trust has had a challenging year in terms of trying to achieve the standard. There have been a few contributing factors to this, one of which is continued late receipt of tertiary referrals. Out of 220 tertiary referrals received in the year only 45% were received before day 42 of the patient pathway (operating guidelines state referrals should be made within 42 days) and 27% of referrals received were after the patient pathway target date had passed. The Trust welcomed a visit from the Intensive Support Team during the year and initial feedback has been positive.

Infection Prevention - The Trust's infection prevention programme continued throughout 2015/16. Key accomplishments were seeing a reduction in MRSA Bacteraemia and MSSA cases compared with the previous year. However, C Difficile results were disappointing in comparison.



Key financial performance information



The following summary of financial performance during 2015/16 is drawn from the Annual Accounts, an overview of which can be found on page 48.

The Department of Health assesses the Trust's financial performance against the following four targets, all of which have been achieved:

Income and Expenditure:

As a minimum, the Trust is required to break even each year. In 2015/16 the Trust made a surplus of £153,000 after impairment and allowing for accounting issues.

Capital Cost Absorption Rate:

Within its overall expenditure, the Trust is required to pay the Department of Health a sum equivalent to 3.5% of average net relevant assets. This payment is known as the Public Dividend Capital payment. We paid a sum equivalent to 3.5%.

External Financing Limit:

This refers to the agreed amount of cash that the Trust is allowed by the Department of Health to consume over and above the amount it generates through its normal activities in year. This may be through a reduction in its own cash balances or receiving cash from external sources. The Trust is expected to stay below its External Finance Limit (EFL) and in 2015/16 it achieved this, spending £27,100,000 (against a target of £27,706,000).

Capital Resource Limit:

This is a limit, imposed by the Department of Health, on the level of capital expenditure which the Trust can incur in the year. The Trust should maintain its spend at or below this level. We spent £38,116,000 against a limit of £38,349,000.

Other key financial information includes the following:

- Of 112,917 invoices received during the year, 97,576 (86.4%) were paid within 30 days of receipt of goods or a valid invoice (whichever is the latter).
- Against a turnover of £509,405,000, the break-even in-year position was £153,000, with a break-even cumulative position of £38,253,000.
- The value of the Trust's land and buildings have been assessed by an independent professional valuer, as at 31 March 2016, which has then been subject to indexation using indices provided by the professional valuer. New additions and refurbishments completed in year were valued by the same independent valuer on a modern equivalent asset basis.
- The accounts for the Trust were produced in line with the NHS Trusts Manual of Accounts, with particular judgment being exercised this year in regard to provisions, leases and useful economic lives of assets.

Sustainable Development

Sustainable Development aims to achieve a better quality of life through the efficient use of resources to meet the needs of the present without compromising the ability of future generations to meet their own needs. The Trust is committed to sustainability and has in place a sustainable development strategy with which it intends to reach the milestones on the route towards achieving the NHS targets for reduction of carbon emissions.

The strategy is articulated in the Carbon Management Plan and focuses on transport, procurement, energy consumption, design of the built environment and waste.

Transport and Travel

Our approach to achieving more sustainable transport and travel includes:

- A Travel Plan incorporating environmental initiatives which is integrated into the planning of all of our estates developments;
- A flourishing Cycle to Work scheme which enables staff to purchase bikes on which to ride to work through a salary sacrifice scheme;
- The provision of secure cycle sheds to encourage cycling to work;
- the provision in new buildings of changing and showering facilities for cyclists;
- An hourly bus service between New Cross and Cannock Chase Hospitals which is free of charge to patients and staff;
- Free of charge electric hook up points in the multi-storey car park for charging of electric and hybrid cars;
- A Travel Card scheme which enables staff to purchase discounted annual bus and rail tickets and spread the cost across the year;
- Encouraging outsourced service providers to use electric vehicles for travel around the sites.



Procurement

The Procurement department is focused on ensuring that goods, supplies and services purchased for the Trust are manufactured, delivered, used and disposed of in an environmental, sustainable and socially responsible manner, delivering long-term value for money. This is achieved by:

- Promoting leadership and, working with suppliers, raising the profile of sustainable procurement practices;
- Training and developing our staff in the principles of sustainability and sustainable procurement;
- Undertaking whole-life costing when purchasing equipment to include training, implementation, and disposal of goods;
- Supporting innovation that provides sustainable solutions and reduces the consumption of resources;
- Reducing paper transactions by supporting eProcurement, eTendering and eCatalogues;
- Supporting the Trust's carbon reduction initiative, working with stakeholders to deliver the NHS Carbon Reduction Strategy for England;
- Working with suppliers to identify packaging requirements and reduce unnecessary packaging;
- Encouraging the use of recycled materials;
- Working with suppliers to identify and minimise ethical issues in supply chains.

Energy Consumption

Reduction of the carbon impact of the energy consumed across the Trust's sites is achieved in three ways, namely: (i) awareness campaigns to encourage our staff to behave in a responsible, economical and environmentally conscious manner, (ii) by improving the energy efficiency of buildings, plant, controls and equipment, and (iii) by providing, at source, greener forms of energy.

Recent examples of investment to reduce carbon from energy consumption include:

- Provision in new buildings of energy efficient LED lighting with proximity detectors to switch off lights when they are not needed;
- Installation within all new projects of smart light fittings which detect the intensity of available natural light and automatically adjust the required brightness, and hence energy consumption, of each individual lamp accordingly;
- Fitting of inverter drives to all pumps and fans installed in new buildings to reduce energy consumption;
- Provision of heat pumps in the cooling system of the Pathology Building and the Emergency Centre to make use of the heat generated by the cooling plant which would otherwise be wasted by dispersion into the atmosphere;
- Provision of Phase Change Material (PCM) technology in both the Pathology Building and Emergency Centre. This new technology provides totally free cooling and heating as the PCM absorbs excess heat during the day to change it from solid to liquid and releases it again when the temperature of the building drops and the PCM changes back to its solid phase.
- Installation of solar-thermal and photovoltaic panels (pictured right) on the roof of the Pathology Building and Emergency Centre. This free source of energy, using green electricity generated from sunlight, is fed into the buildings thereby reducing the demand on external supplies.

This is all underpinned by the output of the Combined Heat and Power (CHP) plant installed in 2013 which produces 65% of all the electricity consumed on the New Cross Hospital site. Electricity purchased from the Grid is also green energy and therefore all electricity used on site is categorised as renewable.

Design of the Built Environment

All our major projects are designed and built to high environmental specifications and to achieve the rating of BREEAM 'Excellent'.

For example, passive systems which reduce the energy requirements of our new buildings include:

- Opening windows in wards and offices which provide natural ventilation and reduce the need for mechanical ventilation systems;
- Opening roof vents in the patient waiting areas to provide cooling and air movement;
- 'Windcatchers' which use the stack effect resulting from the difference between air temperature inside and outside the building to provide energy free natural ventilation in waiting areas;
- Sunpipes which maximise the concept of renewable energy by reflecting sunlight and normal daylight down through a pure silver base mirror-finish aluminium tube into the reception areas;
- Brise soleil fitted on the windows to provide solar shading and thereby reduce the cooling requirement of the building;
- A long, deep entrance lobby, with automatic doors and air curtains at both ends, to reduce direct heat losses.

Waste

Initiatives by the Waste Manager and his dedicated Waste and Recycling Team continue to reduce the amount of waste sent annually to landfill. This delivers significant cost savings to the Trust whilst reducing harm to the environment. Recent initiatives include:

- Implementation of a three tier training module for all staff to encourage waste segregation and sustainability;
- Provision of multiple waste bins in every room of the new Emergency Centre to encourage segregation of waste at source;
- Creation of a dedicated controlled waste compound for processing of waste streams;
- Installation of a large compactor to minimise the need for haulage to landfill;
- Incineration on site of all appropriate waste.



Engagement with public, patients and stakeholders

During the year we refreshed our Patient Engagement and Public Involvement Strategy, made a number of improvements to our website, and developed the use of social media for the public and our staff.

Unfortunately, sometimes we occasionally fall short of the high standard we set ourselves, and during 2015/16 we received 401 formal complaints. A fuller account of these is given in the Trust's Quality Account for 2015/16.

On the other hand, very often we met or exceeded the expectations of our patients and their carers, and many expressions of gratitude and appreciation were received by Trust staff, including an average of over 300 thank you cards every month.

Number and themes of serious incident

As indicated above, occasionally things go wrong, and the Trust has developed a robust mechanism for reporting serious incidents. In the financial year April 2015 to March 2016 the Trust has reported 110 serious incidents and 278 reportable incidents through the serious and reportable incident system (STEIS).

Number and Themes of Serious Incident

Accumulated Totals (Acute and Community SUIs)	2015 / 16
12 Hour Breach	1
Alleged Child Abuse	1
Confidential Breach	29
<i>C.difficile</i>	11
Delay Diagnosis/Treatment	13
Drug Error	3
Failure to Act	2
Infection	9
MRSA	2
Missed Diagnosis	5
Outpatient Appt Delay	1
Radiation	1
Sub Optimal Care	6
Surgical	3
Treatment Given Without Consent	1
Unexpected Death	20
Unexpected Injury	1
VTE	1
Other	
Total	110

Pressure Ulcers	238
Maternity	7
Slip/Trip/Fall	33
Other	0
Total	278

**C.difficile* and MRSA figures combined



Workforce

Gender, disability and ethnicity

As one of the largest employers in the local community, the Trust has a responsibility to recruit a workforce which is representative of the local community. Its workforce profile and gender profile are shown in the tables below:

	Female	Male	Grand Total
Senior Manager	130	88	218
Trust Board	3	4	7
Other Staff	6453	1463	7916
Grand Total	6586	1555	8141

Through its Single Equality Scheme, the Trust aims to remove barriers to employment for disabled people, by improving access, training and support. The number of staff who had identified themselves as having a registered disability comprise 0.87% (up from 0.78% in 2014/15) and are summarised below:

Disabled	Total
No	2570
Not Declared	5500
Yes	71
Grand Total	8141

The number of BME staff at 31 March 2016 comprised 23.99% of the workforce, as below:

Ethnic	Head Count	%
African	151	1.85%
Asian	200	2.46%
Bangladeshi	15	0.18%
Caribbean	250	3.07%
Chinese	40	0.49%
Indian	810	9.95%
Mixed White	119	1.46%
Other Black	44	0.54%
Other Mixed	32	0.39%
Other/Not Known	165	2.03%
Pakistani	127	1.56%
White	6188	76.01%
Grand Total	8141	100.00%

At the end of the financial year 61.50% of staff had a WV postcode on the Electronic Staff Record.



Listening to Our Staff

The Human Resources and Organisational Development Strategies outline the Trust approach to staff engagement and participation. We believe that engaged staff deliver better care and have therefore implemented a suite of involvement methodologies to ensure that we maximise employee engagement. These encourage a multi-disciplinary approach with the focus being on enabling and empowering everyone at all levels to lead, own and drive change.

The Trust response rate for the 2015 National NHS Staff Survey is 39% an increase of 5% on the previous year's survey (2014 = 34%). The Trust's response rate is average for the Combined Acute and Community Trust sector. The Trust is average or above average nationally for 29 out of 32 key findings areas within the Survey compared to all Combined and Acute and Community Trusts. The score for Staff engagement in 2015 was 3.91 out of a possible 5; compared to a score of 3.70 in 2014, moving this indicator from average to above average.

A key tool that we utilise is a local monitoring process called 'Chatback', this focuses on aspects of engagement and participation that are of local interest. It enables us to get in- depth feedback from our staff at a departmental level to enable rapid action planning at a team level. The Trust has found this tool to be an invaluable catalyst to getting staff engaged with identifying and removing blockages to service delivery/ wider aspects of departmental performance. The fact that it is a local intervention that can be tailored to the specific needs of the Trust has meant that it remains flexible and responsive.

In engaging with its staff the Trust uses a range of methods such as staff briefings, electronic communication and availability of information via the intranet which, in addition to information such as Trust Board paper, strategies and future plans, includes links to key external information and websites. Staff are actively encouraged to get involved in planning for and implementing service changes and new ways of working and the Trust has a good record of involvement and engagement with Staff Side bodies. Successes of individuals and the Trust as a whole are recognised through annual award ceremonies and through support for the development of submissions for local and national awards where the Trust has had some significant achievements.

The Trust remains committed to equality of opportunity and eliminating all forms of discrimination. It's Equal Opportunity Policy and training programme reinforces the objective that no employee or job applicant receives less favourable treatment, irrespective of background or sexual orientation. The 2010 Equality Act provides a new cross-cutting legislative framework to protect the rights of individuals and advance equality of opportunity for all; to update, simplify and strengthen the previous legislation. The Trust will continue to be a local leader in this area. The Trust has maintained its accreditation under the Positive About Disabled People initiative and works hard to ensure that all reasonable adjustments are made to support both new employees and those who become disabled whilst in employment.

Control measures are in place aiming to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with. The Trust has signed up to the Equality Delivery System and has established a Steering Group, chaired by the Trust Chairman to provide progress and assurance on the Workforce Race Equality Standards (WRES) initiative as well as building on its approach to equality, diversity and inclusion across the Trust.



Volunteer Services 2015- 2016

The last year has seen a busy period for Volunteer Services, in which we have again been fortunate to see so many different ways in which our volunteers get involved to enhance patient experience.



In the last 12 months we have seen our relationships grow with volunteers at Cannock Chase Hospital and we look forward to future developments there.

Across RWT, volunteers help hospital cafés operate, run hospital radio, fundraise, help visitors find their way around, provide information and emotional support, run a mobility scooter service, help patients at meal times, support patients who have dementia and their carers, and much more.

In addition to their regular roles volunteers also help out in emergencies and on short term projects such as assistance with ward cleanliness audits.

Volunteers are located across all our sites including New Cross, Cannock, West Park, and other community buildings.

We currently have 598 active volunteers with up to a further 50 on a waiting list. In the last 12 months combined volunteer time commitment across the Trust was around 138,336 hours.

The Trust is very thankful for all the help the volunteers give. We do hope that they help us give that 'little bit extra' in the services we offer to our patients and hospital visitors.

The Trust Charity

Our Charity makes a real difference to our patients, their families and the staff that treat them, above and beyond the services provided by the NHS. We aim to support the Trust to realise its vision – to be an NHS organisation that continually strives to improve patients' experiences and outcomes, by putting patients at the centre of everything we do.

Ways in which the charity makes a difference to the patients, their families and the staff who treat them, above and beyond that provided by the NHS, include:

- additional facilities and an improved environment
- additional equipment that can make a real difference to patient care
- opportunities for staff training
- opportunities to further medical knowledge through research

Purchases using money donated to the charity during 2015/16 include the following items:

A Dementia Information and Support Hub (generously supported by The WARRANT Trust), which provides additional information and support sessions for carers of people with dementia during visiting times in various locations across the Trust (£4k); and

A tactile wall mural (generously supported by Prudential and Wolves Community Trust) within the new Emergency Care Centre Paediatric waiting area offers the opportunity for an enjoyable sensory and tactile recreational experience for children of the approximate age range 1 – 10 year olds whilst appealing to children and young people with learning disabilities, autism, blind and visual impairment (£6K)

The annual report of the Trust Charity will be published in the late summer 2016 and will contain more information about this aspect of our work.



The Royal Wolverhampton
NHS Trust Charity

B Accountability Report

B1 Corporate Governance Report

Directors' Report

The Directors of the Trust

During the year 2015/16 and up to the signing of the Annual Report and Annual Accounts the Accountable Officer was David Loughton CBE, and the Trust Chair was Jeremy Vanes. The Trust Board comprised Mr Loughton and Mr Vanes and the following Directors (any with less than a full year of Board membership are denoted accordingly):

A Adimora – Director of Human Resources (until October 2015)

Dr. J Anderson – Non-executive Director and Senior Independent Director

R Dunshea – Non-executive Director

R Edwards – Non-executive Director

M Espley – Director of Planning and Contracting (until September 2015)

C Etches OBE – Chief Nursing Officer and Deputy Chief Executive

J Hemans – Non-executive Director (since May 2015)

L Holland – Interim Director of Human Resources (since October 2015)

S Mahmud – Integration Director

M Martin – Non-executive Director

G Nuttall – Chief Operating Officer

Dr. J Odum – Medical Director

Dr. J Parkes – Associate Non-executive Director (since July 2015)

S Rawlings – Non-executive Director

M Sharon – Director for Strategic Planning and Performance (since January 2016)

K Stringer – Chief Financial Officer

The Audit Committee comprised the following Directors during 2015/16 and up to the signing of the Annual Report and Accounts: J Anderson, M Martin, R Dunshea (Chairman) and R Edwards.

The Remuneration Committee during 2015/16 comprised: J Vanes, J Anderson, R Dunshea, R Edwards, J Hemans, M Martin and S Rawlings.

The roles and activities of the Board Committees are covered in more detail in the Annual Governance Statement (Section B1 of this report).

During 2015/16 the Board comprised the Chairman; the Chief Executive; four Executive Directors; six Non-Executive Independent Directors; and was supported by three additional Directors and an associate non-executive director. Each Executive Director and Independent Non-Executive Director has an equal vote on the Board. Executive Directors are responsible to the Board for the delivery and performance for services within their portfolios. Independent Non-Executive Directors provide challenge and a level of independent scrutiny to decision-making, implementation and reviewing organisational performance. Their backgrounds and experience provide a balance of skills to provide a level of challenge across the range of activities of the Board. The Chief Executive Officer is the Accountable Officer to Parliament.

During 2015/16 the Trust Board met monthly (except in August and December), conducting most of its business in public and allowing time for the press, public and other observers to ask questions of the Directors at each meeting.

At 31 March 2016 the Board comprised 7 female and 9 male directors; two were from a minority ethnic background

A fuller account of the Board's work is provided in the Annual Governance Statement (Page 29).

The Appointment of Non-Executive Directors

During 2015/16 Junior Hemans was appointed to a two year term of office as a Non-Executive Director.

Dr. Julian Parkes joined the Board as Associate Non-Executive Director in July 2015.

Board Membership



David Loughton, CBE
**Chief Executive &
 Accountable Officer**
Appointed 2004

Mr Loughton joined the Trust in 2004 having had extensive experience as a Chief Executive within the NHS. During his career he has developed a new Medical School with Warwick University and achieved financial close on a £400 million new hospital PFI. He has now turned around one of the 17 most financially challenged Trusts in the NHS, whilst improving the quality of care provided to patients. Mr Loughton is a member of the National Institute for Health Research Advisory Board and West Midlands Chief Executive representative for the NHS Confederation Council.

Board Attendance in 2015/16: 11/11

Declarations of Interest:

- Staffordshire, Shropshire and Black Country New-born and Maternity Network (SSBCNN) - Chair
- National Institute for Health Research - Member of Advisory Board
- Dementia Health and Care Champion Group - Member
- Provex Consulting - acquainted with an employee (Paul Elkin)
- Strategic Healthcare Planning - acquainted with directors, and awarded large value contracts to this company when employed with another NHS trust
- Sedgewick Igoe and Associates - acquainted with Kate Brady who undertook work for me when I was employed by another NHS trust
- Health policy adviser to the Labour and Conservative Parties



Jeremy Vanes
**Chairman (since
 September 2014)**
Appointed 2006

Until taking up the position of Chair of the Board, Mr Vanes was Company Secretary for Wolverhampton Advice Agencies Consortium, and Chief Operating Officer of the Wolverhampton Citizens Advice Bureau.

Board Attendance in 2015/16: 11/11

Declarations of Interest:

- Approved foster carer receiving placements from Wolverhampton City Council
- Trustee Director of Refugee and Migrant Centre, Wolverhampton
- Company Secretary of Wolverhampton Advice Agencies Consortium
- Member of Chartered Management Institute
- Member of Labour Party



Dr. Janet Anderson
**Non-Executive
 Director and Senior
 Independent Director**
Appointed 2010

Dr. Anderson was a Consultant Paediatrician at The Royal Wolverhampton Hospitals NHS Trust from 1982-2007. During this time she was also Regional Advisor in Paediatrics to the Royal College of Physicians (1993-1997), Chair of the WM Regional Training Committee for Paediatrics (1997-2002), Chair of the General Professional Training Committee Royal College of Paediatrics and Child Health (1997-2002) and Paediatric Lead for Children's, Young People and Maternity. She was a member of the Reconfiguration Group, West Midlands SHA (2006-2009), and is currently principal regional examiner in Paediatrics for the Far East (RCPCH 2007-2012), and Hon. Senior Lecturer for Birmingham Children's Hospital (1985-ongoing).

Board Attendance in 2015/16: 11/11

Declarations of Interest:

- RCPCH - Senior Examiner and Vice Chair of the Examinations Communications Group
- Chair of Governors at Penn Hall School
- Compton Hospice - Trustee/Director
- Honorary Senior Clinical Lecturer, Clinical Teacher- University of Birmingham



Roger Dunshea
Non-Executive
Director, Chair of Audit
Committee

Appointed April 2014

Roger Dunshea has worked in the NHS in Scotland, Wales and England in a variety of positions including Staff Nurse, Project Manager, Clinical General Manager and Executive Director roles. Between 1997 and 2013 he was a Director with OFWAT (the economic regulator of the water sector in England and Wales) with responsibilities covering finance, information systems, human resources and procurement. He has been the chair of governors at a central Birmingham high school and a non-executive director with the Shrewsbury and Telford NHS Trust.

He is a member of the General Chiropractic Council, an independent member of the Medical Research Council's Audit and Risk Committee, an independent member of the Equality and Human Rights Commission's Audit and Risk committee and a member of the Geological Society's audit committee. He is a volunteer field worker with Natural England and a community bus driver in north Shropshire. He is a Chartered Public Finance Accountant and Fellow of the Geological Society.

Board Attendance in 2015/16: 10/11

Declarations of Interest:

- General Chiropractic Council – Acting Chair
- Equality and Human Rights Commission - Independent member of Audit and Risk Committee
- Medical Research Council - Independent member of Risk and Audit Committee
- Geological Society of London – Member of Audit Committee



Sue Rawlings
Non-Executive Director

Appointed October 2012

Mrs Rawlings is a Chartered Certified Accountant who has worked in the public, private and voluntary sector (last position: Finance and Development Director for Groundwork Black Country, an environmental charity). For the past 15 years she has been joint director of the consultancy firm RHCS, a well-established, highly skilled consultancy firm working with a range of cross sector clients from the voluntary/community/charitable and public sectors. Sue has extensive experience in evaluating the effectiveness of public expenditure and has worked with the British Red Cross in various parts of the country, conducting needs assessments, developing performance monitoring and carrying out evaluations.

She works with voluntary and community sector organisations to develop their business planning, their future sustainability, review their service delivery, and to identify their impact. Previously a Local Improvement Advisor appointed via IDeA to the Regional Improvement Efficiency Partnership in the West Midlands, she is also a Trustee of Beacon Centre for the Blind, and Chair of Beacon4Life CIC.

Board Attendance in 2015/16: 11/11

Declarations of Interest:

- Rawlings Heffernan Consultancy Services Ltd (RHCS Ltd) – Director/Company Secretary
- Beacon Centre for the blind – Trustee
- Beacon4Life Community Interest Company – Director
- Director of Yellow Ribbon Community Chaplaincy Ltd



Cheryl Etches, OBE
**Chief Nursing Officer &
 Deputy Chief Executive**
Appointed 2005

Ms Etches joined the Board at Wolverhampton in June 2005 after holding the position of Deputy Director of Nursing at Heartlands Hospital in Birmingham. She has Board responsibility for Quality and Safety, Governance, Infection Prevention, non-medical research, Nurse education and training and professional standards. She previously held positions in Nottingham and Derby Hospitals and the Middle East. Ms Etches is a trustee for the South Staffordshire Medical Foundation, Chair of the Calabar Vision 2020 Link charity and Governor for the Health Futures Technical College, located in West Bromwich.

Board Attendance in 2015/16: 11/11

Declarations of Interest:

- South Staffs Medical Foundation - Trustee
- ICD Medical - Director
- Arbonne International - District Manager, Independent Consultant
- Healthcare Futures UTC - Governor
- Calabar Vision 2020 Link - Trustee



Gwen Nuttall
Chief Operating Officer
Appointed 2012

Ms Nuttall has over 20 years' experience working across a diverse range of Acute Hospitals, having previously worked for local Government.

Gwen has worked in various management roles at The Chelsea and Westminster Hospital, Barts and The London NHS Trust and more recently she was the Chief Operating Officer at West Suffolk Foundation Trust Hospital for 8 years.

Board Attendance in 2015/16: 11/11

Declarations of Interest:

- None



Kevin Stringer
Chief Financial Officer
Appointed 2009

Mr Stringer is a qualified accountant with the Chartered Institute of Management Accountants (CIMA) and holds a Masters qualification in Business Administration (MBA).

With over 25 years of experience in the NHS, with 13 of those years as a Board Director, he has experience of commissioning and provider organisations.

His experience covers –

- Primary Care, Community Services and Commissioning (with successor organisations being Walsall CCG and Birmingham cross-city CCG)
- Secondary and Tertiary Care (at University Hospitals of Coventry and Warwickshire, Sandwell and West Birmingham Hospitals)
- Specialist Secondary Care (Birmingham Children's Hospital Foundation Trust where he helped the Trust secure FT status)
- Regional NHS Planning and Oversight (West Midlands Regional Health Authority)

His role is to provide professional advice to the Board and wider Trust to ensure delivery of the Board's financial strategy, key statutory financial targets and ensure good internal control.

He is a member and advocate for Healthcare Financial Management (HFMA) having been a past Chairman of the West Midlands Branch where he is now the Treasurer.

Board Attendance in 2015/16: 11/11

Declarations of Interest:

- Healthcare Financial Management Association - Chairman of the Governance and Audit Group, and Treasurer (West Midlands Branch)
- Member of CIMA (Chartered Institute of Management Accountants)
- Midlands and Lancashire Commissioning Support Unit – brother in law is the managing director



Dr. Jonathan Odum
Medical Director
Appointed February 2011

Dr. Odum qualified from Birmingham University in 1984 and his post graduate training and studies were undertaken in the West Midlands (1984-91) and Adelaide, South Australia (1991-93). He was awarded a Sheldon Research Fellowship by the West Midlands Regional Health Authority in 1988 and following completion of the research his thesis was awarded an MD by the University of Birmingham in 1993.

He took up post as a Consultant in General Internal Medicine and Nephrology at New Cross Hospital Wolverhampton in 1993. His clinical interests include diagnosis and management of hypertension and pathophysiological mechanisms underlying and treatment of glomerular disease.

Dr. Odum was elected as a fellow of the Royal college of Physicians (RCP) in 1999 and has been an MRCP PACES examiner from 1999 to the present day.

He has a significant interest in service development and as Clinical Director for Renal Services (1995-2005) was responsible for the expansion of renal services at Wolverhampton into Walsall and Cannock and the opening of the satellite Haemodialysis units at Walsall and in Cannock Chase Hospital.

Dr. Odum has held several medical managerial positions in the Trust including Clinical Director of Medicine, Divisional Director posts from 2003-11 and was appointed into the post of Medical Director from April 2011.

Within the Royal Wolverhampton NHS Trust, Dr. Odum is the Responsible Officer for revalidation of doctors, the Caldicott Guardian and the Medical Director of the West Midlands LCRN.

Board Attendance in 2015/16: 8/11

Declarations of Interest:

- None



Junior Hemans
Non-executive Director
Appointed May 2015

Junior has significant years of experience within the public and voluntary sectors. He previously worked for the Housing Corporation for 10 years as a regulation manager, and as a consultant for PricewaterhouseCoopers for ten years.

Junior was a founding member and the first treasurer of the African Caribbean Community Initiative Mental Health Project, which provides support to individuals and families that are experiencing mental health issues. He has also served as treasurer to the West Midlands Caribbean Parents & Friends Association and to the Heath Town Senior Citizens Welfare Project.

He currently runs his own small consultancy and is a property developer/landlord. He specialises in governance, business start-up, business development and social housing and regeneration.

Junior is also a visiting lecturer at the University of Wolverhampton Business School, lecturing in strategic management, marketing, leisure and operations

Board attendance in 2015/16: 9/11 (part year - not a Director for the whole year)

Declarations of interest:

- Libran Enterprises (2011) Ltd
- Tuntum Housing Association (Nottingham) - Chair of the Board
- Ashram Moseley Housing Association - Board member
- Wolverhampton Cultural Resource Centre - Chair of the Board
- Prince's Trust - Business Mentor
- Kairos Experience Ltd - Company Secretary
- Member of Labour Party
- Wolverhampton University - visiting lecturer



Dr. Julian Parkes
Associate Non-
executive Director

Appointed July 2015

Dr. Julian Parkes is a General Practitioner in Wednesfield, Wolverhampton. He qualified from Birmingham University in 1984 and after junior jobs in various Birmingham hospitals, joined The Group Practice in Alfred Squire Road as a trainee and then as a partner in 1989. He was a member of the Professional Executive Committee of Wolverhampton PCT and then a Governing Body member of Wolverhampton Clinical Commissioning Group until March 2015, where he had roles in both medicines optimisation and quality. He continues to lead on Medicines Optimisation for Wolverhampton CCG and also has a role with Keele University in the School of Pharmacy.

Board attendance in 2015/16: 8/11 (part year)

Declarations of interest:

- The Group practice, Alfred Squire Road, Wednesfield - GP Partner
- Midlands Therapeutic Review and Advisory Committee (MTRAC) Keele University - Chairman
- Wolverhampton Clinical Commissioning Group - Medicines Optimisation Lead
- Daughter employed as a Staff Nurse in ED



Linda Holland
Interim Director of
Human Resources
and Organisational
Development

Appointed October 2015

Linda has worked across a diverse range of industry sectors, public, private and not for profit during her career as a senior human resources professional. This experience, gained as a permanent member of staff and as a successful interim, enables her to operate as a board member, change agent and strategic business partner, adding value where needed.

She holds membership of the Chartered Institute of Personnel & Development (CIPD) and Association of Coaching; has an MSc in Human Resource Development and Diploma in Executive Coaching and Leadership Development and joins RWT from Chelsea & Westminster NHS Foundation Trust where she was part of the acquisition team for the coming together of Chelsea & Westminster NHS Foundation Trust with West Middlesex University Hospital.

Board attendance in 2015/16: 5/11 (part year)

Declarations of interest:

- Always About People Ltd – Director and major shareholder



Mike Sharon
Director of Strategic
Planning and
Performance

Appointed January 2016

Mike commenced his working life as a hospital porter. What has stayed with him is a firm belief in the difference we can all make as individuals, no matter what our role, to the wellbeing of patients. After a long spell at Guy's and St Thomas' in operational management and in strategy, Mike became CEO of a GP company providing services to practices, followed by time as a PCT CEO. Subsequently Mike has been a Director at University Hospital Birmingham FT and at Sandwell and West Birmingham Trust where he was acting CEO for short time. Between these roles Mike has spent a year working in a teaching hospital in Chicago, supported 37 GP practices to create a Federation, set up the Birmingham and Solihull Lift Company, and led two large health economy wide strategic change programmes. Mike really does enjoy spending time with his teenage children and also walking in the Lake District

Board attendance: 3/11 (part year)

Declarations of interest:

- None



Maxine Espley
Director of Planning
and Contracting

**Appointed in April 2011 – left
September 2015**

Maxine Espley has more than 20 years' experience working in a diverse range of health and social care organisations. A qualified social worker, Maxine has led the development and management of housing and care services for vulnerable groups including the establishments of a social enterprise providing health and social care and employment opportunities for the long term unemployed. Maxine has also worked as a Development Manager for a National Mental Health Charity in the not for profit sector.

Maxine joined the Board following the integration with Wolverhampton City PCT Provider Services where she was Managing Director.

Board Attendance in 2015/16: 4/11 (part year)

Declarations of Interest:

- None



Rosi Edwards
Non-Executive Director
Appointed July 2013 (Non-executive Director from November 2013)

Before joining the Board, Rosi worked for the Health and Safety Executive as Regional Director for Midlands, Wales and the South West. She started her career as HM Inspector of Factories in South Yorkshire and moved to the West Midlands in 1987, where she held a variety of senior management posts.

Board attendance in 2015/16: 9/11

Declaration of interests:

- Labour Party, Hall Green Constituency member of Executive Committee
- Labour Party, Moseley and Kings Heath Branch - Vice Chair, Auditor, Member of Election Campaign Committee
- Daughter as an employee of Unite the Union takes part in union campaigning, including on the NHS
- President of Birmingham Health Safety and Environment Association



Mary Martin
Non-Executive Director and Vice-Chair
Appointed July 2013

Mary Martin has senior executive experience in both the public and private sectors. Her business focus has included strategy, business risk assessment, team building, change management, quality management, investigations, controls and reporting. activities cover bank refinancing; private equity; acquisitions and disposals of business and major assets; and exit planning. She currently runs her own small consultancy business having for four years been Pro Vice Chancellor of Birmingham City University. Prior to this her career has included working with Advantage West Midlands; a private venture fund manager focussed on technology start-ups; and she was a Partner with Arthur Andersen, one of the largest international accounting practices. Mary is a trustee of two major Midlands based arts charities; Performances Birmingham and Midland Art Centre. She is a Fellow of the Institute of Chartered Accountants and Oxford University engineering graduate.

Board attendance in 2015/16: 11/11

Declaration of interests:

- Martin Consulting (West Midlands) Ltd - director/owner of the business
- Performances Birmingham Ltd - Trustee/director, non-executive member of Board for the charity
- Performance Birmingham (Enterprises) - Director, trading subsidiary of the charity
- Guardian of the Standard of the Wrought Plate for Birmingham Assay Office
- Edgbaston Priory Club -elected board member
- Midlands Art Centre - Trustee/director, non-executive member of the Board for the charity



Angela Adimora Director of Human Resources

**Appointed October 2014 - left
October 2015**

Angela Adimora joined the Trust in October 2014 as Director of Human Resources and Organisational Development, with over 18 years' experience of HR strategy development and service delivery both in the UK and overseas. A Fellow of both the Institute of Personal and Development and Institute of Directors, Angela had operated at board level for the last 10 years, holding a post graduate diploma in Human Resource Management, an MA in HR strategy and an MBA from Manchester University.

Board Attendance in 2015/16: 4/11 (part year)

Declarations of Interest:

- Blue Meadows Residence – Director
- MCN Consultants



Sultan Mahmud Programme Director

Sultan Mahmud has been in the NHS for 15 years and joined the Trust from NHS England where he was the Director of Commissioning for the Shropshire and Staffordshire Area Team. He has undertaken senior management roles in both provision and commissioning arms of the NHS including clinical and business informatics, programme management, performance management, primary and secondary care commissioning. Sultan has also enjoyed a spell in the pharmaceutical industry working in medical regulatory affairs.

Board attendance in 2015/16: 10/11

Declarations of Interest:

- None

Further information on remuneration can be found in section B2.

Personal data incidents 2015/16

Summary of serious incident requiring investigations involving personal data as reported to the Information Commissioner's Office in 2015 -16

This information can be found on page 37 of the Governance Statement.

Statement on disclosure to auditors

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

Statement of Accountable Officer's Responsibilities

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

- there are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance;
- value for money is achieved from the resources available to the Trust;
- the expenditure and income of the Trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them;
- effective and sound financial management systems are in place; and
- annual statutory accounts are prepared in a format directed by the Secretary of State with the approval of the Treasury to give a true and fair view of the state of affairs as at the end of the financial year and the income and expenditure, recognised gains and losses and cash flows for the year.

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

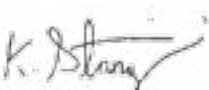
I confirm that the annual report and accounts as a whole is fair, balanced and understandable. I take personal responsibility for the annual report and accounts, and the judgments required for determining that it is fair, balanced and understandable.

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

Signed: 

Date: 2 June 2016

David Loughton CBE, Chief Executive.

Signed: 

Date: 2 June 2016

Kevin Stringer, Chief Financial Officer.

Governance Statement 2015-2016

1. Scope of responsibility

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

I also acknowledge my responsibilities for propriety and accountability issues as set out in the NHS Accountable Officer Memorandum.

I acknowledge that I must discharge my duty of partnership, and this is effected in a number of ways. As Chief Executive, I attend the Local Authority Overview and Health Scrutiny Panel in Wolverhampton where a range of topics has been discussed with elected members during the year. Our relationship with the Staffordshire health economy is growing closer and stronger, which has been reflected in our interactions with partner organisations there.

There has been a board to board meeting with the Wolverhampton Clinical Commissioning Group (CCG) and members of my Executive Team and I have attended meetings with Wolverhampton Healthwatch, and the Wolverhampton Health and Wellbeing Board.

Close links are maintained with NHS England and the NHS Trust Development Authority (TDA) through a range of group, individual, formal and informal meetings. I participate in the meetings of West Midlands NHS provider trust Chief Executives. All Executive Directors are fully engaged in the relevant networks, including finance, nursing, medical, operations and human resources.

I am supported in my engagement with partner organisations by the Chairman of the Board, who this year has met with his counterparts at The Dudley Group NHS FT, Walsall Healthcare NHS Trust, University Hospital of the North Midlands, Sandwell and West Birmingham Hospital NHS Trust, The Shrewsbury and Telford Hospital NHS Trust, Black Country Partnership NHS Foundation Trust, West Midlands Ambulance Service NHS Foundation Trust, as well as regular meetings with local authority members and officers, and other key players in the city's business and third sector communities.

I meet periodically with the local Members of Parliament.

2. 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. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the policies, aims and strategic objectives of The Royal Wolverhampton NHS 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 Trust for the whole year, and up to the date of approval of the annual report and accounts.

3. The governance framework of the organisation

The Trust has a well-established framework for governance to inform the Board of operational and strategic risks as well as to provide assurance on business performance and compliance. The framework sets in place under the Trust Board a high level committee and management structure for the delivery of assured governance.

Sub Board assurance committees are constituted to ensure the delegated operation of effective risk management systems, processes and outcomes. These committees inform and assure the Board through the functioning and reporting of sub-groups and specialist working groups defined in their terms of reference.

Trust Board

The Board has met monthly (except in August and December). Other than for matters requiring commercial confidence or having sensitive human resources implications, it has conducted its business in public and allowed time for the press, public and other observers to ask questions of the Directors at each meeting. A high attendance rate by Directors was recorded during the year. A new Non-executive Director (NED) joined in May and a new Associate Non-executive Director took up position in July. The Director of Human Resources left the Trust in September 2015, and was immediately replaced by an Interim Director. The Director of Performance and Contracting left the Trust in September, and her successor started in post on 1 January 2016.

The process to recruit an Associate Non-executive Director with a particular interest in Research and Development was still on-going at the end of the year. At 31 March 2016 the Board comprised 7 female and 9 male directors; two from a minority ethnic background.

At each meeting the Trust Board considered reports on:

- Quality and safety;
- Serious incidents;
- Operational Performance;
- Financial issues and performance;
- Reports and minutes from the Board's standing committees;
- Cost Improvement Programme (financial and qualitative delivery - within the finance report); and
- Mortality (within the Integrated Quality and Performance Report)

The Board receives a monthly Integrated Quality and Performance report (including national performance measures and 12 month trends). This report includes workforce data such as staff turnover and appraisal rates, metrics relevant to patient experience (such as medication incidents, infection prevention, Friends and Family Test scores and cancelled operations), and those relating to operational performance (such as targets for Referral to Treatment Times, time spent in the Emergency Department, ambulance handover times and cancer waiting times). The indicators within the report are reviewed annually and approved by the Trust Board.

The Board strives to maintain an appropriate balance between strategic matters and supervising the management of the Trust. Among the former during 2015/16 were: the integration of services from MSFT (including Cannock Chase Hospital), the opening of a new Urgent and Emergency Care Centre, nurse recruitment, the development of the Health Clinical Research Network (West Midlands) for which the Trust serves as host, the 5-year capital programme, the development of the Health Futures UTC, the Lord Carter Programme, the 100,000 Genomes Project, the development of the University of Wolverhampton Postgraduate Academic Institute of Medicine, and the financial challenges within the NHS.

Whilst the detailed provisions of the UK Corporate Governance Code are not mandatory for public sector bodies, compliance with relevant principles of the Code is considered to be good practice. This Governance Statement is intended to demonstrate how the Trust had regard to the principles set out in the Code considered appropriate for the Trust for the financial year ended 31 March 2016. The Board was in a position to comply with the Fit and Proper Persons Test regulations from 1 April 2015.

The Board maintains strong relations with stakeholders, including local commissioners, Healthwatch, and local authority overview and scrutiny committees. In the early part of the year a considerable amount of time was spent attending meetings in Staffordshire, variously supported by other Directors, to maintain the strong working relationships.

The Non-executive Directors are committed to self-development and learning, as evidenced by frequent attendance at events arranged by NHS Providers, Healthcare Financial Management Associate (HFMA) NED forum, Chair and NED events put on by the Health Services Management Centre, and networking via private firms (particularly legal firms specialising in healthcare law).

The organisation has reviewed the ways in which Board members can understand what is happening in the Trust, the impact of Boardroom decisions on everyday life at RWT and how employees feel. To bring members of the Board and our staff closer together within the Trust we have launched 'Meet the Board' sessions, which will see a number of Board members offering monthly sessions for staff to come and meet them.

In addition to the Committees listed below, Non-executive Directors are also involved in sub Board level groups. This enables them to gather information, question and, when appropriate, offer challenge and/or assurance at different levels within the organisation. As a group they have visited Cannock Chase Hospital, community services, and visited a number of key building projects on the New Cross site, as well as individually taking part in the new format safety walkabouts, the Royal Awards, and chairing consultant interview panels.

Board composition and commitment

- All voting positions substantively filled
- Senior independent director in position
- Clarity over who is entitled to vote at Board meetings
- At least half of the board of directors comprises non-executive directors who are independent
- The appointment terms of NEDs are staggered so they are not all due to leave the board at the same time
- Appropriate blend of NEDs from the public, private and voluntary sectors
- One NED has clinical healthcare experience
- Appropriate balance between directors who are new to the board and those who have served for longer
- Majority of Board are experienced board members
- Chairman has had previous non-executive director experience
- Two members of the audit committee have recent and relevant financial experience
- Board members have a good attendance record at all formal board and committee meetings, and at other board events.



Audit Committee

Members: R Dunshea, Dr. J Anderson, M Martin, and R Edwards.

The aims of the Committee are to provide the Board with an independent and objective review of its financial systems, financial information, risk management and compliance with laws, guidance, and regulations governing the NHS.

During 2015-16 the Audit Committee met quarterly, and at each meeting considered progress updates on: risk management and assurance, internal audit, external audit, fraud prevention, security management and tracking of the implementation of auditors' recommendations across the Trust. Each meeting received an update on any new risks or assurance concerns from the chairs of the Quality Governance Assurance Committee (QGAC), the Finance and Performance Committee and the Trust Management Committee. One joint meeting was held with QGAC.

The Committee received and discussed reports on the:

- Annual Report for Trust Charitable Funds 2014-15
- Trust Annual Report 2014-15
- Quality Account and Annual Accounts 2014-15
- Proposed changes to the Asset Lives Policy
- Quality of Clinical Coding
- Governance arrangements for the vertical integration with two GP practices
- Governance arrangements for the Transforming Cancer Services Consortium Board.

These matters featured in the Committee's reports to the Board, as did a high level summary of the Internal Audit reports received at each meeting. The Board has been kept informed of when audit reports showed high or medium risk recommendations requiring management attention, and has been assured that mitigating actions are being taken in accordance with the agreed timeframes.

The Committee also receives regular reports from the Local Counter Fraud Specialist. The Trust currently complies fully with the National Strategy to combat and reduce NHS fraud, having a zero tolerance policy on fraud, bribery and corruption, and has a counter fraud plan and strategy in place designed to make all staff aware of what they should do if they suspect fraud. The Committee monitors this strategy and oversees where fraud is suspected and fully investigated. The Committee seeks assurance that appropriate action has been taken, which can result in criminal, disciplinary and civil sanctions being applied. There were no significant frauds detected during the year, although some cases reported to the counter fraud team remain on-going.

The Chair of the Quality Governance Assurance Committee (a retired consultant paediatrician) is a member of the Audit Committee, which helps to maintain the flow of information between the two committees, particularly on clinical audit matters. Two of the other three Committee members have recent and relevant financial experience.

The Auditor Panel, to appoint the Trust's internal and external auditors, was appointed by 31 March 2016.

Non-executive Directors' attendances were recorded as being high during the year, and the Committee was quorate at each meeting.

Quality Governance Assurance Committee (QGAC)

Members: J Anderson, R Edwards, J Vanes and Dr. J Parkes (from 1 October 2015).

The Quality Governance Assurance Committee provides assurance to the Board that patient care is of the highest achievable standard and in accordance with all statutory and regulatory requirements. It also provides assurance of proactive management and early detection of risks across the Trust. High Non-executive Directors' attendance rates at the monthly meetings of this Committee were recorded throughout the year.

The Committee considered various matters during the year. The Board Assurance Framework (BAF) and Trust Risk Register (TRR), and the Integrated Quality and Performance Report were reviewed in detail at each meeting. Other topics reported during the year included health and safety assurance, national guidance compliance, external review registry, safeguarding assurance, Care Quality Commission (CQC) regulatory compliance assurance, claims and litigation, annual audit plan, mortality performance, summary report of the outcome of the Quality Review visits during the year and subgroup reporting on risks and exception from Patient Safety Improvement Group and the Quality Standards Action Group.

The work streams shared between the two reporting subgroups support the management of priority patient safety issues, such as World Health Organisation (WHO) checklist compliance, timely and appropriate serious untoward incident (SUI) investigation, safety alert response, venous thromboembolism (VTE) compliance, as well as performance against regulation, national audits and benchmarks. In January the Committee received the first quarterly report from the Complaints, Litigation, Incidents and PALs group (CLIP) to oversee themes and trends.

The Committee also reviewed this Governance Statement at a joint meeting with the Audit Committee in April 2016 (alongside the opinion of the Head of Internal Audit).

The following items were escalated/notified to the Audit Committee in the period:

- Compliance with the Complaints process and timescales
- Review of the BAF format
- Improved compliance with safety checklists in Obstetrics
- Continuing concern over the use of both the NHS and Hospitals numbers, leading to double registrations
- National Guidance report
- VTE work development
- Sign up to Safety project
- The impact of 12 hour v 8 hour shifts on staff sickness absence/ burn out
- Concerns regarding sickness and absence percentages reflecting workforce pressure and short staffing

The Committee receives reports and minutes from two sub groups:

Patient Safety Improvement Group

This Group met monthly, and reports discussed every month included serious untoward incidents, the use of safer surgery checklists, ward performance monitoring reports, various applications for new procedures/ techniques and quality impact assessments for CIP schemes in 2015/16. At scheduled times during the year the Group received reports on complaints performance (Ombudsman), audits for being open, discharge, transfer, legal processes, specialist subgroup reports (including Mortality, Medicines Management, Organ Donation and Medication Safety Group) and ad hoc reports relevant to quality and safety of care (for example, Supervisor of Midwives Report).

Quality Standards Action Group

This Group met monthly. Reports included CQC on-going compliance monitoring, Wolverhampton and Dudley breast screening, safeguarding, external reviews and inspections, clinical audit (progress and annual), national audit reports (for example, National Care of the Dying Audit report, cervical screening outcome data), National Confidentiality Reports (for example Freedom to speak up, Time to Intervene - National Confidential Enquiry into Patient Outcome and Death (NCEPOD)), miscellaneous national reports (such as Clwyd Hart, NCISH (self-harm/suicide), Francis report), and subgroup reports (for example, Radiation Protection, Information Governance, NICE).

During the year, QGAC, through its reporting subgroups and its own scheduled agenda, has been able to provide assurance to the Board on, for example, the monitoring of outcome and actions following inspections and visits by external agencies, the progress of the Trust clinical audit plan, service compliance with national reports and audit benchmarks including the follow up of actions and risks identified from this analysis. It sought further information in reports on third and fourth degree tears and perinatal data in Obstetrics and the impact of staffing shortages on service areas to enable more accurate assurance judgments. It received reports of individual Quality Review visits, and on the progress of action plans where a domain was deemed to require improvement. It asked for continued development of the BAF format and requirements for completion. As well as routine reporting the QGAC have requested a schedule of themed review (deep dive reports) to cover priority areas for assurance.

Finance and Performance Committee

Members: M Martin, S Rawlings, J Hemans (from 1 October 2015), and J Vanes (until 30 September 2015).

The Finance and Performance Committee provides assurance to the Board on the effective financial and external performance targets of the organisation. It also supports the development, implementation and delivery of the Medium Term Financial Plan, and the efficient use of financial resources. The Committee meets monthly and considers in detail, among other things, the Trust's financial position, the progress of the capital programme, and performance aspects of the Board's quality and performance report. It also considers the Cost Improvement Programme, service line reporting, reference costs, contractual performance against contractual standards, Commissioning for Quality and Innovation (CQUIN), Local Clinical Research Network (LCRN) finance report, the procurement strategy and other matters associated with operational finance and budgeting. As the Committee with oversight of the majority of risks highlighted on the Board Assurance Framework, it has spent a considerable amount of time reviewing progress with the mitigations against each of the risks assigned.

The Committee meetings have always been quorate and well attended. As with the other Committees, the Chair submits a report on each meeting to the next available Board and highlights pertinent issues. This is done in a timely fashion as the Committee meets the week before the Board. In addition, the minutes are submitted to the Board for information.

Remuneration Committee

Members: J Vanes, J Anderson, R Dunshea, R Edwards, J Hemans, M Martin and S Rawlings.

The purpose of this Committee is to advise the Board about appropriate remuneration and terms of service for the Chief Executive and other Executive Directors. The Remuneration Committee met several times during the year and reviewed Executive Director remuneration and appraised the performance of the Chief Executive (in his absence). The Chairman appraised all of the Non-executive Directors. The TDA undertakes the appraisal of the Chairman, and his second appraisal is due to take place in April 2016.

Charitable Funds Committee

Members: S Rawlings, R Dunshea, and J Vanes, and R Edwards (until 30 September 2015).

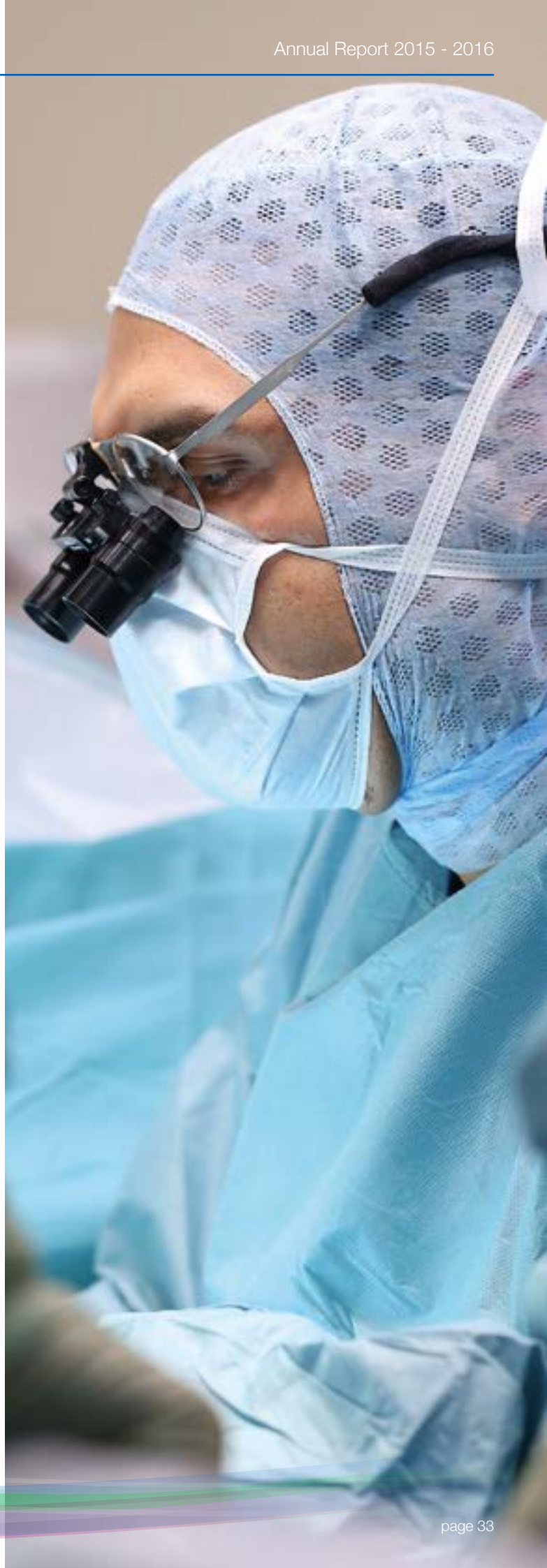
The aim of the Committee is to administer the Trust's Charitable Funds in accordance with any statutory or other legal requirements or best practice required by the Charities Commission.

During another busy year, the Committee has enjoyed the continued dedicated support of an in-house fundraising coordinator, and the support of an Interim Head of Communications, as well as the on-going help of the Finance Team and external investment adviser. It has started to develop a volunteering programme and has developed a new marketing and communications strategy to raise awareness of the charity and the work it supports. The official re-launch of the charity's strategy is due to take place in May 2016. Projects supported this year have included the development of an information and support hub for people living with dementia and their carers, a debrief room in SimWard, the organ donation memorial, and the paediatric waiting area in the new Emergency Centre.

Trust Management Committee

The Trust Management Committee provides a formal platform for the major decision-making process for clinical and non-clinical operations, and as such is not attended by Non-executive Directors, but all of the Executives attend, along with Divisional Medical Directors and Heads of Service. High attendance rates were recorded at all of these meetings.

The Committee, chaired by the Chief Executive, receives monthly reports from the Divisions on governance, nursing and quality issues, as well as business cases above a certain value. The Committee also receives monthly updates on finance, human resources, the capital programme, vertical integration, policies, the integrated quality and performance report, and the Trust Efficiency Programme Group. Quarterly updates are presented on cancer services, infection prevention, research and development, and the integrated electronic patient record project. Reports on other matters, such as education and training, are also submitted periodically.



4. Risk Assessment

The Trust has a Board-approved Risk Management Assurance Strategy, which identifies that the Chief Executive has overall responsibility for risk management within the Trust. Within the Strategy (and supporting policies) all managers and staff have delegated responsibility identified for the management of risk as part of their core duties. Training is provided to equip staff with appropriate knowledge and skills via a combination of e training packages and handbook resources. The risk management training was reviewed, taking account of current risk priorities and performance, and an application to reinstate its status as mandatory for all staff is to be made.



CQC Internal Compliance Framework

The Trust has developed a framework for assessing on-going compliance with CQC Fundamental standards of care (and 5 key questions of Safe, Caring, Effective, Responsive and Well Led). The assessment of compliance uses a combination of quality performance indicators, clinical audits and observational ward and department visits to measure on-going compliance with care standards. The Trust uses the CQC rating characteristics to make judgements about compliance with the fundamental standards of care and judgments are informed by local managers with confirmation and challenge by Executive Directors. This approach allows for information to be triangulated between performance results and observation of care standards and allows for assurance reporting from ward to Board.

The Trust manages risk through a series of processes that identifies risks, assesses their potential impact, and implements action to reduce/control that impact. In practice this means:

- Interrogating internal sources of risk intelligence and activity to inform local and Trust level risk registers and assurance frameworks (eg incident, complaint, claim, audit, and compliance).
- Using committee/subgroup reporting to inform the risk registers.
- Reviewing external/independent accounts of Trust performance to inform risk status (e.g. Care Quality Commission standards, national benchmarks and internal audit reports).
- Integrating functions (strategic and operational) at all levels of the Trust to feed a risk register and escalation process.
- Using a standardised approach to risk reporting, grading and escalation. The Trust categorisation matrix supports a standard approach to risk tolerance.
- Monitoring controls through positive and negative assurance and treatment actions for each risk, to mitigate and manage residual risks.
- Developing and implementing a risk management and patient safety reporting policy (OP10) across the Trust.
- Refinement of risk management training made available to all staff (including senior managers).

Management of Risk Registers within the Trust:

Risk registers are managed at the following levels:

- Divisional/Directorate/Departmental – operational risks that include clinical, business/service, financial, reputational, and patient/staff/stakeholders.

- Trust Risk Register (TRR) – Any risks graded as 12 or above are escalated to the Trust Risk Register for consideration by Directors. Clinical divisions and corporate departments are instructed to escalate all risks graded 12 or above to the Trust Risk Register to inform Directors and the Board of operational risks which may adversely impact the Board Assurance Framework and strategic objectives. Risks/elements of controls may also be delegated from the Board Assurance Framework to operational risk registers for management.
- Board Assurance Framework (BAF) – Contains all risks which impact on the Trust strategic objectives.

Each risk on the Board Assurance Framework and Trust Risk Register has an identified Director and operations lead to manage the risk.

The Trust Risk Register and BAF are reviewed by Directors and the Board at the following frequencies:

- Executive Director Meetings – Monthly.
- Quality Governance Assurance Committee – Monthly.
- Trust Board – Bi Monthly

In 2015/16 the Trust published revised strategic objectives and began the process of risk alignment and monitoring. In addition the BAF has been subject to review and development during 2015/16, without the Board losing sight of the key risks facing the Trust.

During the year the Trust continued to strengthen the quality of controls assigned to risks at all levels and the principles of measurable controls were cascaded down to risk registers beneath the BAF.

A total of 55 risks on the BAF and TRR were managed during the year 2015/16. 28 of these were new risks identified in year. Of the 55 risks, 6 were red (red being the highest risk rating), 46 were amber, and 3 yellow.

There were 21 risks closed as at 31 March 2016. Of the remaining 34 to be carried forward to 2016/17, 6 are rated red (Workforce - Recruitment and Retention of staff across the Trust and in particular the future pipeline of nursing and medical staff, failure to deliver recurrent CIP's, that staff retention and development costs are unaffordable, Risk to patient safety and quality of care caused by staffing levels, Supply Disruption of Baxter Colleague Pump compatible IV administration sets and Baxter blood admin sets), and 28 are amber. All remaining risks will be managed and regularly reviewed on the Trust risk register and Board Assurance Framework.



5. The risk and control framework

The Board-approved Risk Management Assurance Strategy includes the following:

- The aims and objectives for risk management in the organisation, aligned to the Trust vision.
- A description of the committee arrangements and relationships between various corporate committees and subgroups.
- The Board Assurance Framework and process for management of risk registers.
- The identification of the roles and responsibilities of all staff with regard to risk management, including accountability and reporting structures.
- The promotion of standard risk management systems as an integral part of assurance provision.
- A description of the risk management process and a requirement for all risks to be recorded in a risk register prioritised (i.e. graded) and escalated using a standard scoring methodology.

The Trust seeks to identify risks through all available intelligence sources including independent/external review/assessment. The risk management process is supported by a number of policies which direct risk assessment, incident reporting and investigation, mandatory training, health and safety, conflict resolution, violence and aggression, complaints, infection prevention, fire safety, human resources management, consent, manual handling and security. All policies have identified audit/monitoring and training arrangements.

During 2015/16 the Trust rolled out a programme of Quality Review Visits (QRV) in line with the Care Quality Commission Fundamental Standards of care and key line of enquiry for hospital inspections. The programme aims to:

- Create a positive and proactive approach to observational assessment and external reviews.
- Ensure robust/reliable compliance reporting: ward to board.
- Support continuous quality improvement and patient safety.
- Highlight good practice and areas of excellence.

Between January to December 2015 12 QRVs were conducted identifying areas of good and excellent practice to be shared, as well as areas for improvement for local follow up. The QRVs are well received within the Trust with positive feedback and quality benefits being reported by both the clinical areas visited and those conducting the inspections.

The Board Assurance Framework identifies the risks to the Trust strategic objectives, the key controls in place to manage these risks and the effectiveness of the controls shown in positive and negative assurance. The Internal Audit advisory work supporting the development of the Board Assurance Framework during 2015/16 will advise on any further development to the BAF.

In addition, during 2015/16 the local audit of the Risk Management Reporting Policy (OP10) showed that 100% of directorates across the Trust held and reviewed risk registers, and improvements were noted in the prompt escalation of appropriate risks to the Trust risk register from lower levels.

All Committees of the Trust Board (excluding Trust Management Committee) are chaired by Non-executive Directors to reflect the need for independence and objectivity, ensuring that effective governance and controls are in place. This structure facilitates appropriate scrutiny and challenge of the performance of the organisation. The Committees met regularly throughout the year, and they report to the Board following their meetings.

Looking ahead to 2016/17

Over the coming year the Trust will continue to progress enhancements to its internal assurance including increased risk management training across all staff levels, with a focus on local ownership and application, roll out of an enhanced CQC compliance framework (having regard to a wider specification of quality indicators, audits etc) and consider further developments in how we identify and share lessons to improve.

The key risks identified as the Trust goes into the new financial year are:

- Workforce - Recruitment and retention of staff across the Trust.
- Competition causing a significant shift in activity.
- Potential impact on income due to enacted Commissioner intentions.
- Failure to deliver recurrent CIPs
- Risk that financial balance (and surplus) is not achieved.
- Insufficient cash generation.
- Condition of the existing estate – quality and flexibility.
- Risk that staff retention and development costs are unaffordable.

Information Governance

Summary of serious incident requiring investigations involving personal data as reported to the Information Commissioner's Office in 2015-16

The table below details the level 2 or above incidents reported on the Health and Social Care Information Centre (HSCIC) incident reporting tool and to the Information Commissioner's Office (ICO), within the financial year 2015/16. Any incidents that are still being investigated for the period 2015/16 are not included.

Date incident occurred (Month)	Nature of incident	Number of data subjects potentially affected	Description/ Nature of data involved	Further action on information risk
Apr-15	Unauthorised Access/ Disclosure	6	It was alleged that an employee, had accessed computerised patient records for another member of staff.	The organisation has carried out a review of all access to clinical systems within the team concerned to ensure access is appropriate. A disciplinary investigation was also conducted and the staff member involved received a final written warning.
May-15	Unauthorised Access/ Disclosure	2	It was suspected that a member of staff at a community health centre had accessed relative's records inappropriately.	Staff member was up to date with IG training and it was deemed by the organisation that they understood the implications of their actions. Disciplinary investigation was conducted and staff member was dismissed.
May-15	Lost or stolen paperwork	<500	Plastic bag of mixed paper records found in the staff changing room, originating from two other Trusts as well as this organisation.	Registrar had discovered at home some old handover sheets from when they had been on-call at two other Trusts. The sheets were brought into work to dispose of them in a shredding bin along with information from this Trust. Other Trusts involved were informed. The organisation has conducted a review of secure waste disposal facilities and all staff in area reminded of policy requirement in relation to secure disposal.
Jun-15	Other	1 record	A Patient file (medical records) was sent in a sealed envelope by Royal Mail recorded delivery to the CCG. When received the envelope had been damaged in transit and therefore the patient details were clearly visible thus causing a potential confidentiality breach.	Incident occurred due to the member of staff leaving who dealt with such requests. The new member of staff was unaware of correct process on sending files to CCG or off site. A process has been developed and communicated to all staff.
Jun-15	Lost or stolen paperwork	12	12 Patient Home Visit pro forma were identified as missing in a folder were left in the back of a hire car by a member of staff	The information was retrieved and accounted for. The car was not used during this period. A procedure has been developed for the handling of patient data whilst off site, which is specific to community adult services and communicated to all staff within the service.

Jul-15	Disclosed in Error	1 Record	Patient letter (child protection report) was sent to school nurses at a GP surgery in West Yorkshire. The GP surgery name was the same as the one that was supposed to have been sent at West Bromwich. The school nurse had passed this to the safeguarding team who contacted us to discuss this.	Incident occurred due to system pulling down incorrect address. Process has been developed to ensure checks are in place to: 1. Ensure all addresses are checked prior to sending 2. A query of unknown address for out of area children should have been undertaken
Sep-15	Unauthorised Access/ Disclosure	1 record	Staff member allegedly has accessed relatives information.	A disciplinary investigation was undertaken. Staff member involved handed in their notice and no longer works for organisation. The organisation has recently increased communications to staff re unauthorised access. Awareness week was carried out in Jan 2016. A process for proactive auditing of records is also being developed. The organisation currently has warnings on clinical system to inform staff access is only permitted for their role as well as full audit logs to ensure access is monitored.

Incidents classified at lower severity level

Incidents classified at severity level 1 are aggregated and provided in table below:

Summary of other personal data related incidents in 2015-16		
Category	Breach Type	Total
A	Corruption or inability to recover electronic data	0
B	Disclosed in Error	44
C	Lost in Transit	4
D	Lost or stolen hardware	4
E	Lost or stolen paperwork	15
F	Non-secure Disposal – hardware	0
G	Non-secure Disposal – paperwork	1
H	Uploaded to website in error	0
I	Technical security failing (including hacking)	11
J	Unauthorised access/disclosure	3
		82

Information Governance Toolkit Return 2015/2016

The annual self-assessment submission on the Information Governance Toolkit to the Department of Health for 2015/16 demonstrated an overall score of 81% and was graded satisfactory in all 45 requirements.

6. Review of economy, efficiency, and effectiveness of the use of resources

The Trust has a robust governance structure in place ensuring monitoring and control of the effective and efficient use of the Trust's resources. Financial monitoring, service performance, quality and workforce information is scrutinised at meetings of the Trust Board, Finance and Performance Committee, Trust Management Committee and at Divisional Team meetings.

The Trust has achieved all of its statutory financial targets, achieving an end of year surplus of £0.1M, delivering the Capital Programme within its Capital Resource Limit and achieving its External Funding Limit.

The Trust has arrangements in place for setting objectives and targets on a strategic and annual basis. These arrangements include ensuring the financial strategy is affordable and scrutiny of cost savings plans to ensure achievement, with regular monitoring of performance against the plans. This is done through:

- Approval of the annual budget by the Board.
- Monthly reporting to the Board on key performance indicators covering finance, activity, governance, quality and performance.
- Monthly reporting to the Finance and Performance Committee.
- Regular reporting at Operational and Divisional meetings on financial performance.
- Monthly Trust Efficiency Programme Group meetings to oversee the Lord Carter economies work streams, and the Cost Improvement Programme.

Internal Audit has provided assurance on internal controls, risk management and governance systems to the Audit Committee and to the Board. Where scope for improvement in controls or value for money was identified during their review, appropriate recommendations were made and actions were agreed with management for implementation. The implementation of these actions is monitored by the Audit Committee.

7. 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. Guidance has been issued to NHS Trust Boards on the form, content and reporting arrangements of annual quality reports.

Our priorities for 2015/16 were chosen after consulting both our staff and clinical teams who work in the Trust, looking at what patients and members of the public say about us and our services in national and local surveys and in patient feedback received through complaints, compliments and the Friends and Family Test. We have also taken account of our CQC feedback and of what people say nationally about health services and where services need to improve.

The Department of Health Quality Accounts Toolkit 2015/16 influenced the format and content of the Quality Account. The existing reporting structure has been the source for information, for example Datix for numbers and themes of complaints and incidents. Specific information has been validated by the key leaders in the Trust, for example Infection Prevention data provided by the Director of Infection Prevention and Control (DIPC), and incident data by the Head of Governance and Legal Services.

A draft version of the Quality Account is approved by Directors before being circulated to the local authority's Overview and Scrutiny Committee, and Wolverhampton Healthwatch. The Quality Account is subject to a limited assurance review by the Trust External Auditors before a final version is produced for publication.



8. Operational Performance

2015/16 saw continuing increased operational pressures nationally and this gave rise to increased demand across all key services. In addition to this the Trust saw the opening of the new Urgent and Emergency Care Centre (UECC). The opening of the UECC is part of on-going efforts to improve access to urgent care and emergency services for the people of Wolverhampton and the surrounding areas.

A comprehensive and robust performance management process exists across the Trust to monitor delivery against operational standards. This involves weekly review at the Chief Operating Officer's performance meeting and through subsequent meetings across the Divisions. A detailed integrated quality and performance report is produced monthly; this is discussed in-depth at the monthly Finance and Performance Committee, which is chaired by a Non-executive Director, with further scrutiny taking place at the full Trust Board. Examples of the Operating Framework targets can be evidenced below:

- The Trust maintained compliance with the headline position for all Referral to Treatment (RTT) measures at Trust level for incomplete pathways. Critically, no patients waited longer than 52 weeks for any treatment. During 2015/16 waiting times have remained static - 93.17% of the waiting list was under 18 weeks, compared with 93.69% in the previous year; this performance is encouraging, given that the Trust has seen an overall increase in referrals into our services over the period.
- The Emergency Department continued to see rising numbers during 2015/16 in both attendances and ambulance conveyances. This has had the inevitable detrimental impact on performance. Consequently, the Trust only met the 95% target in 3 months of the year. In addition to this the Trust saw an additional 2,156 ambulance conveyances during the period: a rise of 4.88% compared with the previous year.
- Cancer targets remain a high priority and again, there has been increased demand for all areas. Despite this, six of the nine targets maintained the standard in every month of the year to date.

The Trust has faced difficulties in year in achieving the key cancer 62 day referral to treatment target. This is largely due to capacity issues in key specialties where it has been difficult to recruit consultants, a position that is reflected nationally. In addition to this the Trust also experiences late tertiary referrals which continue to have an impact on performance.

The Trust is working to address these issues and invited the National Intensive Support Team to visit the Trust and identify any potential areas for improvement.

Emergency Planning/Resilience

The Civil Contingencies Act 2004 outlines a single framework for civil protection in the United Kingdom. This establishes a clear set of roles and responsibilities for those involved in emergency preparedness and response at the local level. The Trust as a Category 1 responder is subject to a series of civil protection duties: assess the risk of emergencies occurring and use this to inform contingency planning; ensuring there are robust plans in place for emergency preparedness, resilience and response (EPRR); a clearly defined business continuity management process and to co-operate and work with local responders to enhance co-ordination and efficiency and to ensure education and training for staff.

The Trust is required to undertake a yearly self-assessment of the EPRR Core Standards (2013), to provide assurance, which are monitored by NHS England West Midlands to ensure the Trust is compliant against these standards. The Trust was assessed as 'substantially compliant' in 2015.

Emergency Preparedness also forms part of the Trust's Internal Audit Programme, with two audits being undertaken in 2014 - 2016, namely Major Incident Planning and Business Continuity Management.

An Emergency Preparedness Annual Report and plan is produced, identifying the status of the Trust's resilience over the last 12 months and identifying objectives for the year. In addition, the Trust has key requirements to meet against Care Quality Commission as well as meeting the guidance set out in the NHS Operating Framework.

The Trust has an Accountable Emergency Officer (AEO) who takes executive responsibility and leadership at service level, supported by the Head of Emergency Planning & Business Continuity, who works to provide resilience to manage emergencies and incidents that affect the Trust, with escalation where necessary.

The organisation works collaboratively with local multi-agency partners to facilitate inclusive planning and response and ensures preparedness to maintain critical services in periods of disruption, along with facilitating NHS EPRR assurance including business continuity.

The Trust is an active member and participates in the following health and multi-agency groups to ensure a proactive and co-ordinated approach to warning and informing and sharing best practice, encouraging a joint approach to emergency preparedness in terms of planning, responding and recovery.

- Local Health Resilience Partnership – Executive Group (LHRP) – bi monthly
- Local Health Resilience Forum for Emergency Planning Officers - monthly
- Wolverhampton Resilience Group (WRG) – quarterly
- Safety Advisory Group (SAG) Wolverhampton Council – as and when required
- Health Protection Forum for Public Health Response - quarterly

Health and Safety at Work

The Trust Health and Safety Strategy has been reviewed and fully approved during this financial year (June 2015). This has seen the introduction of the Trust health and safety risk profile which shows all areas of HSE legislation relevant to the Trust RAG rated to reflect Trust compliance with regulations. This is being further developed with the specialist leads reporting on their subjects to Health and Safety Steering Group (HSSG) and onwards to Quality Standards Action Group (QSAG) and identifying gaps and providing action plans to fill these gaps. This is work in progress but gives the Trust an improved assurance around compliance with HSE Regulations.

2015/16 has seen Cannock Chase Hospital integrated into the Trust. We have seen significant improvement in the embedding of the Trust's Management of Health and Safety Policy (HS01) and the use of SharePoint to store health and safety documentation including risk assessments enabling review and monitoring remotely. This is progressing well and continues to support the health and safety team audit process.

Health and safety incidents have seen a 6.5% decrease overall 2015/16 v 2014/15. Focus this year has been on high incident reporting areas, ensuring investigations are undertaken where needed and risk assessments are reviewed to improve control measures where possible to help reduce further incidents. Emphasis has been on sharing lessons learnt across the Trust, using various forums to do this including the Safety Rep Forum, the health and safety newsletter 'SPOT' and Trust Risk Newsletter 'Risky Business'.

The Trust Top 5 hot topics for incidents continue to be:

- Slips, trips & falls (down 3%)
- Sharps incidents (remain the same)
- Contact (down 0.6%)
- Manual Handling (down 9.6%) and
- Violence and Aggression (down 19%)

During quarter 4 of the year the Trust has introduced several safer sharps mechanisms including insulin pens, butterflies and insulin needles, the impact of which will be monitored by the HSSG. In March 2016 the Trust received a planned inspection from the Health & Safety Executive (HSE) on progress with the implementation of safer sharps. Following the visit there was no further action to be taken. This is a very positive outcome and the Trust continues to work towards the provision of safe sharps which is being monitored by the Safer Sharps Group.

RIDDOR reportable incidents have decreased 33% 2015/16 v 2014/15 (financial years) with manual handling (including both patient and inanimate) and slips, trips falls being the highest reported subjects in both years. These subjects have decreased in the numbers over 2015/16 from 2014/15 reporting period, with manual handling (both patient and inanimate) down 40% and slip, trip falls down 33% showing the Trust can demonstrate it is moving in the right direction.

Social Economic Responsibilities: Modern Slavery and Forced Labour

The Trust is committed to its Social Economic Responsibilities and ensuring that it is a Good Corporate Citizen (GCC). In its procurement practices the Trust stipulates that: the successful contractor will ensure that its supply chain is monitored and that there is zero tolerance of modern slavery within their supply chain; the successful contractor must ensure that at no point, throughout the delivery of their contractual agreement with the Trust, will any materials used to deliver the agreement be created through the use of bonded labour or infringement of human rights; and that where any such issues arise within the extended supply chain, the successful contractor will act to remove these items from entering the Trust's extended supply chain and implement ethical sourcing programs and supply chain audits to prevent any repetition.

In addition, sourcing staff within the Procurement team are undertaking external e-learning covering Ethical & Sustainable Procurement.

9. Annual Declarations

1. The Royal Wolverhampton NHS Trust is required to register with the Care Quality Commission and its current registration status is active. The Royal Wolverhampton NHS Trust has no conditions with its continued registration.

The Care Quality Commission has not taken enforcement action against The Royal Wolverhampton NHS Trust during 2015/16. In June 2015, The Royal Wolverhampton NHS Trust received an announced comprehensive CQC inspection, utilising the CQC fundamental care standards under the 5 following domains:

- Safe
- Effective
- Caring
- Responsive
- Well-led

Although areas of 'good' and 'outstanding' practice were noted, the inspection found a number of areas 'requiring improvement', and the subsequent CQC report classified the Trust as overall "requiring improvement". A detailed action plan was developed. This has been monitored monthly and reported quarterly via the Trust's governance framework and demonstrates compliance and completion of a significant number of actions, which have evidence of assurance for closure. Those remaining open will continue to be progressed through the Trust's internal governance framework.

2. As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments 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. The Trust as part of the Pensions Regulations is required to complete an Annual Assurance Statement for the Pension Agency by the 5th of April each year, and this has been done.
3. Control measures are in place aiming to ensure that all the organisation's obligations under equality, diversity, employment and human rights legislation are complied with.
4. The Trust has undertaken risk assessments, and Carbon Reduction Delivery Plans are in place in accordance with emergency preparedness and civil contingency requirements, as based on the United Kingdom Climate Impact Programme (UKCIP) 2009 weather projects, to ensure that this organisation's obligations under the Climate Change Act and the adaptation reporting requirements are complied with.

5. The Trust made its annual self-assessment submission to the Department of Health by the 31st March 2016 on the Information Governance Toolkit. The overall score was 81% and the Trust was graded satisfactory all 45 requirements.

Head of Internal Audit Opinion

For the 12 months ended 31 March 2016, the Head of Internal Audit opinion for The Royal Wolverhampton NHS Trust is that the organisation has an adequate and effective framework for risk management, governance and internal control.

However in the course of their work the Internal Auditors have identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective. Whilst not significant issues in themselves, the Head of Internal Audit identified a small number of specific internal control compliance weaknesses, in particular those in respect of: Serious Incidents – Quality Assurance (10.15/16); Return of Deceased Patients Property (11.15/16); and Consultant Job Planning (25.15/16).

During the year, Internal Audit did identify a number of other specific internal control weaknesses, however through the recommendation tracking process the delivery of the recommended improvement has been monitored via the Audit Committee and the Executive Team.

During the year, Internal Audit has provided assurance and/or recommendations including the following Governance related areas:

- Duty of Candour – Assessment of compliance with Care Quality Commission Regulation 20 – Reasonable Assurance.
- Serious Incidents – Quality Assurance – cannot take assurance
- Follow up of the Information Governance (IG) Toolkit - Interim Report – incomplete evidence to support the IG Toolkit scores at the time of the audit. However IG toolkit leads continue to upload and update evidence for the submission on 31st March 2016. IG will be subject to re-audit in 2016/17 Internal audit plan.
- Board Assurance Framework – An advisory review of the Board Assurance Framework to consider the new Strategic Objectives and developments to the format.
- Clinical Audit Progress report – Compliance with Healthcare Quality Improvement Partnership (HQIP) 10 Simple Rules for NHS Boards – Reasonable Assurance.



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

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the Internal Auditors, the Trust risk management and governance reporting framework, and the executive managers and clinical leads within the 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 informed by reports from external inspecting bodies including external audit and the PLACE inspections (the system for assessing the quality of the patient environment). It is also informed by comments made by the External Auditors in their report to those charged with governance (ISA 260) and other reports.

I have been advised on the implications of the result of my review of effectiveness of the system of internal control by the Board, the Audit Committee, and the Quality Governance Assurance Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

11. Conclusion

No significant internal control issues have been identified during 2015/16.

Accountable Officer: David Loughton CBE

Organisation: The Royal Wolverhampton NHS Trust

Signature: 

Date: 2 June 2016

B2 Remuneration and staff report

Staff Report

The following tables summarise the numbers and categories of staff, sickness absences and exit packages made during 2015/16

Exit Packages agreed in 2015-16								
Exit package cost band (including any special payment element)	*Number of compulsory redundancies	Cost of compulsory redundancies	Number of other departures agreed	Cost of other departures agreed.	Total number of exit packages	Total cost of exit packages	Number of Departures where special payments have been made	Cost of special payment element included in exit packages
	Number	£s	Number	£s	Number	£s	Number	£
Less than £10,000	0	0	13	33,613	13	33,613	0	0
£10,000-£25,000	0	0	0	0	0	0	0	0
£25,001-£50,000	0	0	0	0	0	0	0	0
£50,001-£100,000	0	0	0	0	0	0	0	0
Total	0	0	13	33,613	13	33,613	0	0

2014-15

Exit package cost band (including any special payment element)	*Number of compulsory redundancies	Cost of compulsory redundancies	Number of other departures agreed	Cost of other departures agreed.	Total number of exit packages	Total cost of exit packages	Number of Departures where special payments have been made	Cost of special payment element included in exit packages
	Number	£s	Number	£s	Number	£s	Number	£
Less than £10,000	0	0	18	57,996	18	57,996	0	0
£10,000-£25,000	0	0	2	28,704	2	28,704	0	0
£25,001-£50,000	0	0	6	265,380	6	265,380	0	0
£50,001-£100,000	0	0	2	144,797	2	144,797	0	0
Total	0	0	28	496,877	28	496,877	0	0

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

	2015-16		2015-16		2015-16		2014-15	
	Total	Number	Permanently employed	Number	Other	Number	Total	Number
Average Staff Numbers								
Medical and dental	831	831	738	738	93	93	710	710
Ambulance staff	0	0	0	0	0	0	0	0
Administration and estates	1,606	1,606	1,558	1,558	48	48	1,436	1,436
Healthcare assistants and other support staff	1,535	1,535	1,351	1,351	184	184	1,358	1,358
Nursing, midwifery and health visiting staff	2,269	2,269	2,182	2,182	87	87	2,147	2,147
Nursing, midwifery and health visiting learners	0	0	0	0	0	0	0	0
Scientific, therapeutic and technical staff	1,102	1,102	1,087	1,087	15	15	1,015	1,015
Social Care Staff	0	0	0	0	0	0	0	0
Healthcare Science Staff	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0
TOTAL	7,343	7,343	6,916	6,916	427	427	6,666	6,666

Of the above - staff engaged on capital projects

	9	9	0	0	8
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Staff Sickness Absence and Ill Health Retirements

	2015-16	2014-15
	Number	Number
Total Days Lost	67,387	53,243
Total Staff Years	6,872	6,129
Average working Days Lost	9.81	8.69
	2015-16	2014-15
	Number	Number
Number of persons retired early on ill health grounds	8	6
	£000s	£000s
Total additional pensions liabilities accrued in the year	215	491

During 2015 / 16 the Trust spent £0.4m on consultancy services (2014/15 £2.2m).
The Trust employed 10 senior managers during the year ending 31 March 2016.

Remuneration Report

The Trust has a Remuneration Committee whose role is to advise the Board on appropriate remuneration and terms of service for the Chief Executive and other Executive Directors. Membership of the Committee comprised of the Chairman and all Non-Executive Directors.

Remuneration for the Trust's Executive Directors is set by reference to job scope, personal responsibility and performance. This also takes into account the comparison with remuneration levels for similar posts, both within the National Health Service and the local economy. Whilst performance is taken into account in setting and reviewing remuneration, there are currently no arrangements in place for "performance related pay".

It is not the Trust's policy to employ Executive Directors on "rolling" or "fixed term" contracts. All Directors' contracts conform to NHS standard for directors, with arrangements for termination in normal circumstances by either party with written notice of six months.

Remuneration for the Trust's Executive and Non-Executive Directors during the financial year ended 31 March 2016 is set out in the attached schedules.

Signature:



Date: 2 June 2016

David Loughton CBE
Chief Executive

Salary and Pension Entitlements of Senior Managers

A) Remuneration

Name and Title	2015-16					2014-15					
	Salary	Other Remuneration	Expense Payments (taxable) Benefits in Kind	All pension related benefits	Total	Salary	Other Remuneration	Expense Payments (taxable) Benefits in Kind	All pension related benefits	Adjustments	Total
	(bands of £5000)	(bands of £5000) £000	Rounded to the nearest £100	(bands of £2,500)	(bands of £5,000)	(bands of £5000)	(bands of £5000)	Rounded to the nearest £100	(bands of £2,500)	(bands of £5000)	(bands of £5,000)
Executive Directors											
D Loughton - Chief Executive	245-250			15-17.5	260-265	210-215	0	0	0		210-215
J Odum - Medical Director	140-145	70-75*		5-7.5	220-225	130-135	60-65*	0	0		195-200
G Nuttall - Chief Operating Officer	130-135			42.5-45	170-175	130-135	0	0	0		130-135
K Stringer - Chief Finance Officer	150-155			150-152.5	300-305	135-140	0	0	0		135-140
C Etches - Chief Nursing Officer	145-150			157.5-160	305-310	130-135	0	0	0		130-135
Non-Executive Directors											
J Vanes - Chairman (from 29/09/2014)	39-40				39-40	15-20	0	0	0	(0.5)****	15-20
J Vanes - Acting Chairman (from 01/11/2012 to 06/03/2013 and from 18/12/2013 to 28/09/2014)	0				0	10-15	0	0	0		10-15
S Rawlings - Non-Executive Director	5-10				5-10	5-10	0	0	0		5-10
D R Edwards - Non-Executive Director	5-10				5-10	5-10	0	0	0		5-10
J Anderson - Non-Executive Director	5-10				5-10	5-10	0	0	0	(0.5)****	0-5
D Kelly - Associate Non-Executive Director (from 01/07/2013 to 31/03/2015)	0				0	5-10	0	0	0		5-10
M Martin - Non-Executive Director	5-10				5-10	5-10	0	0	0		5-10
R Dunshea - Non-Executive Director	5-10				5-10	5-10	0	0	0		5-10
J Hemans - Non-Executive Director (from 25/05/2015)	5-10				5-10	0					0
J Parkes - Non-Executive Director (from 01/07/2015)	0-5				0-5	0					0
Directors - Non Voting											
S Mahmud** - Integration Director	115-120			0	115-120	65-70	0	0	0		65-70
M Espley - Director of Planning and Contracting (to 27/09/2015)	65-70			0	65-70	125-130	0	0	115-117.5		240-245
M Sharon*** - Director of Planning and Contracting (from 01/01/2016)	30-35			0	30-35	0	0	0	0		0
D Harnin - Director of Human Resources (to 04/04/2014)	0			0	0	0-5	0	0	0		0-5
D Pugh - Acting Director of Human Resources (from 07/04/2014 to 14/12/2014)	0			0	0	65-70	0	0	0		65-70
Angela Adimora** - Director of Human Resources - (from 10/11/2014 to 27/10/2015)	75-80			0	75-80	50-55	0	0	0		50-55
L Holland***** - Acting Director of Human Resources (from 11/09/2015)	90-95			0	90-95	0	0	0	0		0

Please note:-

* This relates to Dr. Odum's role as a Renal Physician

** These Directors opted out of the Pension Scheme and their prior years benefit was also, withdrawn.

*** This Director commenced with the Trust within the year and thus, the pension contributions for the year are unable to be provided.

**** These prior year adjustments relate to salary overpayments identified following a review initiated by the Board and fully documented in the 2014/15 Annual Report and Accounts.

***** This Acting Director is paid via the Consultancy Company of which they are a Director.

Total remuneration for senior managers in year ended 31 March 2016 was £1,284,601 0.25% of income (31 March 2015 £1,119,672, 0.24% of income).

The definition of senior managers used to establish who should be included in the table above is that given in the Manual for Accounts:

"those persons in senior positions having authority or responsibility for directing or controlling the major activities of the NHS body. This means those who influence the decisions of the entity as a whole rather than the decisions of individual directorates or departments."

The Pension related benefits are all benefits received in year from participating in pension schemes excluding any contributions by the employee in the period. Where negative figures have occurred this is as a result of salary increases not matching the inflation assumption directed for the calculation. Where an individual has only been in post for part of the year entries have not been calculated.

B) Pension Benefits

	Real increase in pension at pension age	Real increase in pension lump sum at pension age	Total accrued pension at pension age at 31 March 2016	Lump sum at pension age related to accrued pension at 31 March 2016	Cash Equivalent Transfer Value at 31 March 2015	Real Increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2016	Employer's Contribution to Stakeholder Pension
Name and title	(bands of £2500)	(bands of £2500)	(bands of £5000)	(bands of £5000)	£000	£000	£000	£000
D Loughton - Chief Executive	0-2.5	5-7.5	70-75	220-225	0*	0*	0*	0
J Odum - Medical Director	0-2.5	2.5-5	45-50	140-145	912	28	952	0
K Stringer - Chief Finance Officer	7.5-10	22.5-25	55-60	175-180	953	146	1,111	0
C Etches - Chief Nursing Officer	7.5-10	22.5-25	60-65	180-185	1,069	176	1,259	0
G Nuttall* - Chief Operating Officer	0-2.5	5-7.5	45-50	150-155	731	23	763	0
M Espley** - Director of Planning and Contracting	0	0	0	0	0	0	0	0
M Sharon*** - Director of Planning and Contracting	0	0	0	0	0	0	0	0
A Adimora**** - Director of Human Resources	0	0	0	0	0	0	0	0
L Holland ***** - Acting Director of Human Resources	0	0	0	0	0	0	0	0
S Mahmud**** - Integration Director	0	0	0	0	0	0	0	0

The real increase in Cash Equivalent Transfer Value is not applicable for D Loughton given that he is now over 60. * Where Directors changed pension scheme membership and as a result the benefits have been calculated on the new scheme.** This Director left the Trust in year, hence, the full year position cannot be provided. *** This Director commenced with the Trust within the year and thus, the pension contributions for the year are unable to be provided **** Relates to Directors that opted out of the Pension scheme and their prior years benefit was also, withdrawn. ***** This Acting Director is paid via the Consultancy Company of which they are a Director.

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

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

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.

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.

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

The banded remuneration of the highest paid director in The Royal Wolverhampton NHS Trust in the financial year 2015-16 was £245k (2013-14, £210k). This was 10.7 times the median remuneration of the workforce, which was £20k-£25k (2013-14 £20k-£25k). (2014-15, the highest paid director was 9.3 times the median remuneration of the workforce, restated due to error identified in last years calculated quoted value of 8.5 times). Annualised remuneration may not reflect actual remuneration in year, for example where an individual was in post for only part of the year. The Executive Director payments are variable and may change from one year to another, subject to approval through the Trust Remuneration Committee to the Board. In 2015/16, 2 clinical employees received remuneration in excess of the highest-paid director. The vast majority of Trust employees are subject to national pay settlements and have, in accordance with those national settlements, received an inflationary increase in pay in 2015/16 of 1% and where applicable, employees have continued to make incremental progression within existing pay scales.

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. Although employees of the Trust do not receive performance related pay nor benefits in kind.

Off Payroll Engagements

Recruitment is properly devolved to Trust Managers who are required to ensure that all off payroll engagements are subject to risk based assessment, determining whether assurance is required that the individual is paying the right amount of tax and, where appropriate, obtaining that assurance. An improved electronic management information system for central capture of such arrangements has been implemented latterly in 2015-16, in the meantime, the data in the tables has been produced manually, with regard to off payroll engagements for the year ended 31 March 2016, costing more than £220 per day and lasting longer than six months.

	Number
Number of existing engagements as of 31 March 2016	8
Of which, the number that have existed:-	
for less than one year at the time of reporting	3
for between one and two years at the time of reporting	5
for between 2 and 3 years at the time of reporting	0
for between 3 and 4 years at the time of reporting	0
for 4 or more years at the time of reporting	0

	Number
Number of new engagement that reached six months in duration, between 1 April 2015 and 31 March 2016 but had completed the engagement by 31 March 2016	0

	Number
Number of off payroll engagements of Board Members, and/or senior officers with significant financial responsibility, between 1 April 2015 and 31 March 2016	1
Total number of individuals on payroll and off payroll that have been deemed senior officials with significant financial responsibility, between 1 April 2015 and 31 March 2016	8

C Financial Statements

Foreword and Financial Performance Overview

The summary financial statements are an extract of the information in the full Annual Accounts. These include the Annual Governance Statement of the Trust for year ended 31 March 2016. The summary financial statements only give an overview of the financial position and performance of the Trust but might not contain sufficient information for a full understanding of the Trust's performance. For more detailed information please refer to the full Annual Accounts for the Trust. These are available free of charge from The Chief Financial Officer, The Royal Wolverhampton NHS Trust, New Cross Hospital, Wolverhampton, WV10 0QP.

The Annual Accounts have been prepared in accordance with the 2015/16 NHS Trusts Manual for Accounts (MFA), issued by the Department of Health. From 2009/10 the MFA follows the International Financial Reporting Standards (IFRS) and interpretations to the extent that they are meaningful and appropriate to public body entities.

The financial performance of the Trust is assessed by the Department of Health against four targets.

These are:

Income and Expenditure

As a minimum, the Trust is required to break even each year. Where a deficit is incurred, the Trust is required to achieve surpluses in subsequent years until break-even, taking one year with another, is achieved.

Capital Cost Absorption Rate

Within its overall expenditure, the Trust is required to pay the Department of Health a sum equivalent to 3.5% of average net relevant assets. This payment is known as the Public Dividend Capital payment.

External Financing Limit:

This refers to the agreed amount of cash that the Trust is allowed by the Department of Health to consume over and above the amount it generates through its normal activities in year. This may be through a reduction in its own cash balances or receiving cash from external sources. The Trust is expected to stay below its External Finance Limit (EFL) and in 2015/16 it achieved this, spending £27,100,000 (against a target of £27,706,000).

Capital Resource Limit

This is a limit, imposed by the Department of Health, on the level of capital expenditure that the Trust can incur in the year. The Trust is expected to maintain its spend at or below this level.

All four targets were achieved, as indicated in Table 1 below:

Table 1	Target	Actual	Achieved
Income & Expenditure Break-even (£000)	2,161	153	✓
Capital Cost Absorption (%)	3.5	3.5	✓
External Financing Limit (£000)	27,706	27,100	✓
Capital Resource Limit (£000)	38,349	38,116	✓

Table 2 shows the Income and Expenditure position for each of the last five years:

Table 2	2011/12 £000	2012/13 £000	2013/14 £000	2014/ 15 £000	2015/ 16 £000
Turnover	374,417	384,917	394,045	461,810	509,405
Break-even in-year position	9,297	8,688	7,891	3,663	153
Break-even cumulative position	17,858	26,546	34,437	38,100	38,253

Cumulative Position

Table 2 shows that the Trust achieved its statutory break-even duty in 2015/16.

In 2015/16 the Trust achieved a surplus for the 10th consecutive year. This surplus amounted to £153k after impairment and adjustments for changes in accounting treatment.

Private Finance Transactions

The Trust has an on-balance sheet scheme relating to the provision and maintenance of the Radiology building and equipment including replacement and upgrading. The contract for the scheme covers the period 1 April 2002 to 31 March 2032. Although the interest rate changes affect future performance, the impact to date has not been significant.

Better Payment Practice Code

The Department of Health requires that trusts aim to pay their non-NHS and NHS invoices by the due date or within 30 days of receipt of goods or a valid invoice, (whichever is the latter), unless other terms have been agreed with the supplier. The target is to achieve 95% compliance and, over the last two years, the Trust's performance is shown in Table 4.

Table 4	2014/15 Number	£000	2015/16 Number	£000
Total Invoices Paid in Year	100,284	227,946	112,917	268,260
Total Invoices Paid Within Target	89,008	201,392	97,576	234,770
Percentage of Invoices Paid Within Target	88.8%	88.4%	86.4%	87.5%

The deterioration in the 2015-16 performance has been reviewed and main issues identified. The Trust has taken action to encourage suppliers, in particular drugs and suppliers of other clinical supplies, to provide consolidated electronic invoices, to reduce manual intervention and speed payment.

Prompt Payments Code

The Trust is an approved signatory to the Prompt Payment Code.

Revaluation

The value of the Trust's land and buildings have been assessed by an independent professional valuer, as at 31 March 2016, which has then been subject to indexation using indices provided by the professional valuer. New additions and refurbishments completed in year were valued by the same independent valuer on a modern equivalent asset basis.

Staff Sickness Absence

The following table provides details of the Trust's sickness absence.

Staff Sickness Absence	Total 31/03/2016 Number	Total 31/03/2015 Number
Total Days Lost	67,387	53,243
Total Staff Years	6,872	6,129
Average number of days lost per year	9.8	8.7
Average days lost per year based on 230 working days per annum	4.3	3.8%

Pension Liabilities

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

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". Further details can be found in the full set of accounts available on request.

Accounting Policies

The accounts for the Trust were produced in line with the NHS Trusts Manual for Accounts. Full details of the accounting policies are included within the Trust Annual Accounts which are available on request. Particular areas where judgement has had to be exercised are:

Useful economic lives of assets

The Trust estimates the useful economic lives of its non current assets. Every care is taken to ensure that estimates are robust, however factors such as unforeseen obsolescence or breakdown may impact on the actual life of the asset held.

It should be noted that in 2015-16 the Trust changed the asset life methodology for Buildings to a Single Residual

Life Methodology, resulting in a reduction to annual depreciation.

Provisions

When considering provisions for events such as pension payments, NHSLA claims and other legal cases the Trust uses estimates based on expert advice from agencies such as the NHS Litigation Authority and the experience of its managers.

It should be noted that in 2015-16, in line with NHS revised guidance, on the grounds of immateriality within Employee Benefits, the Trust reversed the prior year provision for outstanding holiday pay due at 31 March 2016 estimated at circa £0.2million, (prior year provision £0.8million).

Leases

The Trust applies the tests contained in IAS17 to all of its present and proposed leases in order to ascertain if they should be classed as operating or finance leases. Often the information available may be inconclusive and therefore judgement is made regarding the transfer of the risks and rewards of ownership of the associated assets in order that a decision may be made.

There have been no major policy changes that have impacted on the position of the Trust. Additionally the Trust is required to adopt accounting standard IAS27 which requires the Trust to consolidate its Charitable Funds into its accounts if material. These were not consolidated as they are not considered material.

Financing

Auditors

The Trust's external auditors are KPMG LLP who replaced PricewaterhouseCoopers LLP. The total charge for audit work undertaken in 2015/16 was £87k including VAT (2014/15 £110k). Other auditors remuneration in 2015/16 was £5k (2014/15 £10k) and is in respect of non-audit services.

As far as the Directors are aware, there is no relevant audit information the Trust's auditors are unaware of and the Directors have taken all steps that they ought to have taken, as Directors, to make themselves aware of any relevant audit information and to establish that the Trust's Auditors are aware of that information.

Non-audit work may be performed by the Trust's external auditors where the work is clearly audit related and the external auditors are best placed to do that work. For such assignments the Audit Committee approved protocol is followed. This ensures that all such work is properly considered and that the external auditor's independence is not compromised through the Trust using them for other non audit services.

The Trust is able to ensure this as:

- All work is controlled and monitored by the Audit Committee which is made up of Non Executive Directors. They approve all work and provide a check to ensure independence is maintained.
- Any additional work carried out by the External Auditors has to be approved by the Audit Commission if its value is greater than 20% of the external audit fee, or £30,000, whichever is the greater.

Statement Of Comprehensive Income for the Year Ended 31 March 2016

	2015-16 £000s	2014-15 £000s
Gross employee benefits	(301,356)	(269,592)
Other operating costs	(197,038)	(177,117)
Revenue from patient care activities	428,983	421,453
Other operating revenue	80,422	40,357
Operating surplus/(deficit)	11,011	15,101
Investment revenue	99	107
Other gains and (losses)	41	15
Finance costs	(1,667)	(1,658)
Surplus/(deficit) for the financial year	9,484	13,565
Public dividend capital dividends payable	(12,298)	(10,445)
Transfers by absorption - gains	0	30,462
Net Gain/(loss) on transfers by absorption	0	30,462
Retained surplus for the year	(2,814)	33,582

"It is important to note that 2015-16 cannot be directly compared to the prior year 2014-15 due to the transfer of Mid Staffordshire NHS Foundation Trust, (MSFT), services from 1 November 2014, as part of the solution for Mid Staffordshire services, providing a part year impact in the comparable prior year figures."

Explanatory note for 2014/15 entry: All revenue and operating expenses are derived from continuing operations. The surplus of £33,582k includes a net gain of £30,462k on the transfer of assets, with a gain of £29,281k from MSFT in respect of Cannock Chase Hospital and £1,181k for assets which transferred for Pendeford.

Other Comprehensive Income for the Year Ended 31 March 2016

	2015-16 £000s	2014-15 £000s
Impairments and reversals taken to the revaluation reserve	0	0
Net gain/(loss) on revaluation of property, plant & equipment	(6,556)	29,861
Other comprehensive income for the year	(6,556)	29,861
Total comprehensive income for the year*	(9,370)	63,443
Financial performance for the year		
Retained surplus for the year	(2,814)	33,582
IFRIC 12 adjustment (including IFRIC 12 impairments)	0	296
Impairments (excluding IFRIC 12 impairments)	3,101	354
Adjustments in respect of donated gov't grant asset reserve elimination	(134)	(107)
Adjustment re absorption accounting	0	(30,462)
Adjusted retained surplus	153	3,663

Other income for 2015-16 includes £2.5million income for delivery of healthcare services relating to the capital to revenue transfer action by the NHS TDA.

Statement of Financial Position as at 31 March 2016

	31 March 2016 £000s	31 March 2015 £000s
Non-current assets:		
Property, plant and equipment	395,710	382,971
Intangible assets	813	676
Trade and other receivables	826	1,710
Total non-current assets	397,349	385,357
Current assets:		
Inventories	6,981	6,291
Trade and other receivables	22,524	19,783
Cash and cash equivalents	16,927	41,598
Sub-total current assets	46,432	67,672
Non-current assets held for sale	800	800
Total current assets	47,232	68,472
Total assets	444,581	453,829
Current liabilities		
Trade and other payables	(51,457)	(52,498)
Provisions	(3,254)	(5,821)
Borrowings	(1,912)	(1,885)
Total current liabilities	(56,623)	(60,204)
Net current assets/(liabilities)	(9,391)	8,268
Total assets less current liabilities	387,958	393,625
Non-current liabilities		
Provisions	(631)	(648)
Borrowings	(5,343)	(5,943)
Total non-current liabilities	(5,974)	(6,591)
Total assets employed:	381,984	387,034
FINANCED BY:		
Public Dividend Capital	229,568	225,252
Retained earnings	26,906	28,550
Revaluation reserve	125,320	133,042
Other reserves	190	190
Total Taxpayers' Equity:	381,984	387,034

The financial statements were approved by the Board on 02 June 2016 and signed on its behalf by:

Signed:  Date: 2nd June 2016
David Loughton CBE, Chief Executive

Statement of Changes in Taxpayers' Equity

	Public Dividend capital	Retained earnings	Revaluation reserve	Other reserves	Total reserves
	£000s	£000s	£000s	£000s	£000s
Balance at 1 April 2015	225,252	28,550	133,042	190	387,034
Changes in taxpayers' equity for 2015-16					
Retained surplus for the year		(2,814)			(2,814)
Net gain / (loss) on revaluation of property, plant, equipment			(6,556)		(6,556)
Transfers Between Reserves		1,160	(1,160)	0	0
permanent PDC received – cash	6,816				6,816
Permanent PDC repaid in year	(2,500)				(2,500)
Other movements	0	10	(6)	0	4
Net recognised revenue/ (expense) for the year	4,316	(1,644)	(7,722)	0	(5,050)
Balance at 31 March 2016	229,568	26,906	125,320	190	381,984

Public Dividend Capital (PDC). When NHS trusts were first established, everything they owned (land, buildings, equipment and working capital) was transferred to them from the government. The value of these assets is in effect the public's equity stake in the new NHS trusts and is known as public dividend capital (PDC). It is similar to company share capital and, as with company shares, a dividend is payable to the Department of Health. This PDC dividend is calculated at 3.5% of average net relevant assets.

The Retained Earnings is the cumulative surplus/(deficit) made by the NHS trust since its inception. It is held in perpetuity and cannot be released to the Statement of Changes In Taxpayers' Equity.

The Revaluation Reserve reflects movements in the value of property, plant and equipment and intangible assets as set out in the accounting policy. The Revaluation Reserve balance relating to each asset is released to the Income and Expenditure reserve on disposal of that asset.

Other reserves arose at the time of inception of the Trust and are considered likely to remain at the present value.

Statement of Cash Flow for the Year Ended 31 March 2016

	2015-16 £000s	2014-15 £000s
Cash Flows from Operating Activities		
Operating surplus/(deficit)	11,011	15,101
Depreciation and amortisation	15,913	17,265
Impairments and reversals	3,101	650
Interest paid	(1,657)	(1,649)
PDC Dividend (paid)/refunded	(12,926)	(10,265)
Release of PFI / Deferred Credit	(785)	0
(Increase)/Decrease in Inventories	(690)	(116)
(Increase)/Decrease in Trade and Other Receivables	(442)	(5,583)
Increase/(Decrease) in Trade and Other Payables	2,851	13,112
(Increase)/Decrease in Other Current Liabilities	0	(71)
Provisions utilised	(2,227)	(1,052)
Increase/(Decrease) in movement in non cash provisions	(366)	2,011
Net Cash Inflow / (Outflow) from Operating Activities	13,783	29,403
Cash Flows from Investing Activities		
Interest Received	99	107
(Payments) for Property, Plant and Equipment	(41,049)	(35,668)
(Payments) for Intangible Assets	0	(249)
Proceeds of disposal of assets held for sale (PPE)	67	15
Net Cash Inflow / (Outflow) from Investing Activities	(40,883)	(35,795)
Net Cash Inflow / (Outflow) before Financing	(27,100)	(6,392)
Cash Flows from Financing Activities		
Gross Temporary and Permanent PDC Received	6,816	22,690
Gross Temporary (2014/15 only) and Permanent PDC Repaid	(2,500)	
Cash transferred to NHS Foundation Trusts or on dissolution	0	1
Capital Element of Payments in Respect of Finance Leases and On-SoFP PFI and LIFT	(1,887)	(1,788)
Net Cash Inflow/(Outflow) from Financing Activities	2,429	20,903
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(24,671)	14,511
Cash and Cash Equivalents (and Bank Overdraft) at Beginning of the Period	41,598	27,087
Cash and Cash Equivalents (and Bank Overdraft) at year end	16,927	41,598

Glossary of Terms

1. Public Dividend Capital dividend – this is a payment made to the Department of Health, representing a 3.5% return on the Trust's net relevant assets.
2. Revenue from activities – this is the majority of the Trust's income and is derived in the main from the provision of healthcare to Commissioners.
3. Other operating revenue – is mostly in respect of training and research and development
4. Intangible assets – this relates to software licences
5. Tangible assets – this refers to the Trust's land, buildings and equipment
6. Provisions for liabilities and charges – when there is a reasonable degree of certainty that the Trust will be liable for a particular cost, and where it has not yet actually been incurred, a provision is made to reflect that liability
7. Impairment – this term is most usually applied when a decision has been made that reduces the life and/or value of a Trust asset (most often a building). Such reductions in value are charged to the income and expenditure account when there are insufficient balances on the revaluation reserve.

Statement of the Chief Executive's Responsibility as the Accountable Officer of the Trust

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

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

value for money is achieved from the resources available to the Trust;

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

effective and sound financial management systems are in place; and

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

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

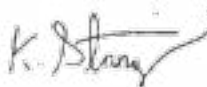
Signed:



Date: 02.06.16

David Loughton CBE
Chief Executive

Signed:



Date: 02.06.16

Kevin Stringer
Chief Financial Officer

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.

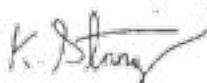
Signed:



Date: 02.06.16

David Loughton CBE
Chief Executive

Signed:



Date: 02.06.16

Kevin Stringer
Chief Financial Officer

English

If you require this document in an alternative format e.g., larger print, different language etc., please inform one of the healthcare staff.

Punjabi

ਜੇ ਤੁਹਾਨੂੰ ਇਹ ਦਸਤਾਵੇਜ਼ ਹੋਰ ਰੂਪ ਉਚਿਤਰਨ ਵਜੋਂ ਵੱਡੀ ਫ਼ਾਓਂਟ, ਵੱਖਰੀ ਭਾਸ਼ਾ ਅਦਿਦ ਵਿੱਚ ਚਾਹੀਦਾ ਹੋਵੇ, ਤਾਂ ਕਿਰਪਾ ਕਰਕੇ ਕਿਸੇ ਸਿਹਤਸੰਬੰਧੀ ਕਰਮਚਾਰੀ ਨੂੰ ਖ਼ਬਰ ਦਿਓ।

Polish

Aby uzyskać niniejszy dokument w innym języku lub formie, np. pisany dużą czcionką, itp., prosimy skontaktować się z przedstawicielem personelu medycznego.

Russian

Если данный документ требуется Вам в альтернативном формате, например крупным шрифтом, на другом языке и т.п., просьба сообщить об этом одному из сотрудников здравоохранения.

Lithuanian

Jei pageidaujate šį dokumentą gauti kitu formatu, pvz., padidintu šriftu, išversta į kitą kalbą ir t. t., praneškite apie tai sveikatos priežiūros darbuotojui.

Kurdish

ئەگەر ئێمە بە ئێزۆزێکی تێکە دەخوازین، یان ئێمە وێه چۆنی گۆڕین، زمانێکی تێکە هت، تێکە بەهێک ئە کارمانی سەرپەرشتی دەتروستنی ئێگادار بکەر یۆ.



Safe &
Effective

Kind &
Caring

Exceeding
Expectation