



The Royal Wolverhampton
NHS Trust

Annual Report 2016-17



Safe & Effective | Kind & Caring | Exceeding Expectation

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Introduction

Statement by the Chairman

I am delighted to present the Annual Report and Accounts for the period 1 April 2016 to 31 March 2017.

Like many others who work at the Trust, it is with great pride that I undertake my role as Chairman and to be associated with the Trust over many years. Since I joined in 2006 I have seen many changes and improvements.

Over the years we have grown and developed in a number of ways; in the numbers of staff employed, all of whom are committed to providing the highest quality of care, in the range of services offered and the size of infrastructures in which we deliver that care. We have seen the number of services delivered locally increase, including our Cancer Centre, Heart and Lung Centre, and our increasing links with Primary Care. This has gone hand-in-hand with our commitment to education, training and research. We were delighted in 2015 to be able to celebrate the opening of our new Emergency Care Centre which we have seen over the last year has resulted in improvements to the patient journey and experience through collaborative working.

Increasingly our success in delivering and improving services is being achieved by partnership working. We now see our services incorporating GP practices and our aim to become an Accountable Care Organisation only reinforces this approach. We do see our strength in our desire to work with other statutory and voluntary organisations, for example, Wolverhampton City Council, Wolverhampton Clinical Commissioning Group and Wolverhampton HealthWatch. We continue to work with other Black Country stakeholders to ensure the people of Wolverhampton, Cannock and the wider Black Country receive the very finest care.

The development of our services has always been underpinned by a very genuine commitment by our staff to provide the very highest quality of care. This can be demonstrated by our annual quality awards. Each year we hold our staff award ceremony in which we showcase the very best of the Trust. This year saw awards being presented to a diverse group of people who have each contributed to our success. We have to remember though that these people are just an example of a much larger group of people who go the extra mile to ensure we continue to provide first class care.

Examples of the work which were acknowledged at this year's award ceremony include the aortic repair surgical team who were praised for their work in developing a ground-breaking new service for patients. We recognised the holistic compassion and care delivered by Lynn Fellows who embodied the Trust values in caring for a patient with multiple health and social needs; she was also awarded the Chief Executives award for individual excellence. If there was an award that caught my eye, it was the huge cheer for the team which supports and mentors the foreign nurses who arrive at the Trust.

We have performed well this year across a number of indicators and this puts us in a good position moving forward. We have a strong record of meeting our financial targets and I pleased to report that we end the year with a financial surplus. However, maintaining this position will continue to be a challenge for us and we must not underestimate the work required both from ourselves and our partners in ensuring the provision of high quality services.

We have seen a number of changes to the Trust Board, we said farewell to Linda Holland, Director of Human Resources and Organisational Development and Dr Julian Parkes, Associate Non-Executive Director. We welcomed a new member to the Trust Board; Prof Rob Stockley who joined us in April 2016. I am pleased to say we appointed Alan Duffell as Director of Workforce who was able to take up his post in April 2017. I remain confident that the current membership offers a good balance of knowledge, skills and experience to meet the challenges ahead and to build on the good work.

Finally on behalf of the Trust Board I would like to thank all our staff, whatever their role for delivering effective care with the upmost compassion. I would also like to thank our increasing numbers of volunteers who give their time selflessly to support us in delivering the best of care.



Jeremy Vanes - Chairman

A - Performance Report

A1 - Performance Overview

In this section we provide you with summary information to allow you to better understand the Trust, our purpose and the key risks we have identified to achieving our objectives. You will also find details of a number of local public health indicators and a brief overview of our achievements across a broad range of topics over the year.

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

The last year has been a difficult one for the NHS overall and the demands on our services have been no exception. Given these pressures our staff have responded exceptionally well to these challenges and I would like to take this opportunity to give a personal thank you for their efforts and commitment to the Trust.

Despite all the service demands, we continue to perform well and to fulfil our aim to deliver an increasing and better quality range of services to the people of Wolverhampton, Cannock, the wider Black Country and surrounds. We have welcomed GP services and their staff into the Trust and will go on to encourage others to join our organisation. The further integration of primary care services is now starting to provide a truly seamless provision of care to the people of Wolverhampton, Cannock and beyond. In progressing with this integration we have applied to become an Accountable Care Organisation. We believe that this new model of care, if applied, will extend the breakdown of barriers between health and social care organisations which will provide countless benefits for the wider population of Wolverhampton and Cannock.

During the year we have also engaged with other Black Country stakeholders to develop sustainability and transformation plans. These plans are designed to identify ways for the NHS to work more collaboratively and to explore ways of providing healthcare services more efficiently.

I am in no doubt that everyone at the Trust strives to continually improve the quality of care delivered. Many innovative ways of providing high quality and effective care have been implemented. Our maternity service is part of the National Maternal and Neonatal Health Safety collaborative which aims to improve maternity care and supports the aims of Better Births (2016) and the Maternity Transformation Programme. We are one of forty-five maternity service providers chosen to be in the first wave of this national programme. We have also successfully secured additional funding to improve patient safety by extending our parent education programme to benefit mothers and their new born babies. In-addition we are seeing a reduction in harm from patient falls in hospital as a result of the falls collaborative work. I am also pleased to highlight that we scooped a prestigious international award after developing a new process for people attending A&E with chest pain, which has safely reduced admissions and length of hospital stay.

However, our mortality rate has shown some increase over the year. Our senior clinicians have been reviewing the reasons for this and been able to assure our Trust Board that we continue to deliver high quality and effective care. We continue to monitor these figures and have systems in place to review all deaths which occur in the Trust.

I mentioned earlier that one of our strengths comes from the staff who work at the Trust. The staff commitment can be best demonstrated by a healthcare assistant, aged 80yrs, who continues to work in our outpatient department after initially starting her career as a district nurse. There have been numerous occasions over the last year where our staff have been acknowledged at national award ceremonies. Examples include, one staff nurse who was named Mentor of the Year - Student Nursing Times Award 2016 and a member of staff working in ophthalmology who was named optometrist of the year by the Association of Optometrists. Our training department also achieved a prestigious national award. Our commitment to quality can be shown in the appointment of two new posts – a Guardian of Safe Working and a Freedom to Speak-up Guardian.

Like most other NHS Trusts we have worked hard to recruit and retain key clinical professional staff. New strategies, procedures and imaginative recruitment approaches have helped to maintain the required numbers of staff. We have appointed to the new role of nurse associates and made great strides with our innovative clinical fellow programme. However we are in no doubt staffing will continue to be a challenge in the forthcoming year.



This last year, and moving into next year, has seen financial pressures continue to be an issue. We have looked at how we can deliver our increasing range of services both more effectively and efficiently. We can demonstrate some success with this which has meant we end the year in a good position. This does not underestimate the work needed to ensure we meet our financial plan, particularly our cost improvement targets in 2017/18.

Our performance as assessed by national standards will be covered in detail in this report; however I would like to highlight a number of areas. Whilst we have struggled to achieve the national standards relating to the 4hr wait in our emergency department and the 18 week referral to treatment standard, we remain in a positive position when our performance is benchmarked both regionally and nationally. We recognise the importance of these and indeed all of the national performance standards, as we work collaboratively with partners to ensure we continually deliver a good service and positive experiences for our patients.

During 2016 we received the conclusion of the independent review into our governance and leadership. This review was commissioned by NHS Improvement (NHSI) and was conducted independently by Deloitte. The report concluded that we have a stable, cohesive and experienced executive team. Our working structures were described as one of the most mature set-up's across the whole NHS and many areas of good practice were found. We have used this report positively and to help give some direction to how we can continue to improve and make changes where necessary.

Finally, I would like to take this opportunity to acknowledge our commitment to clinical research. Our research program goes from strength to strength with over 11,000 people taking part in research at the Trust over the last 5 years (2011-2016). I am pleased to report that these participants have been involved in over 600 different studies. These have included trials testing ground-breaking treatments for cancer, heart & lung disease, skin conditions, renal, stroke and respiratory conditions. We would like to applaud those local people who help to progress healthcare both locally and nationally and strengthen our position as a research centre.

Whilst I believe the challenges will be as great in the coming year, we are well placed through our on-going commitment to ensure we meet our priorities and continue to provide a comprehensive range of services.



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. We are 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. The Trust gained Cancer Centre status in 1997, were designated as the 4th Regional Heart & Lung Centre during 2004/05, and we are designated the only specialist services tier 2 hospital in the Black County. We are 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. We also provide training for nurses, midwives and allied health professionals through well-established links with the University of Wolverhampton. During 2014 the Trust was established as the Host for the Clinical Research Network: West Midlands. On 1 November 2014 we acquired services and assets, including Cannock Chase Hospital, from the Mid Staffordshire NHS Foundation Trust. From 1 June 2016 we 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 £564m (for 2017-2018) we are 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. We also have 82 rehabilitation beds at West Park Hospital and 54 beds at Cannock Chase Hospital. As the second largest employer in Wolverhampton we employ 8300 staff on 31 March 2017.

We provide 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)
- 4 GP Practices (Lea Road Medical Practice, Alfred Squire Medical Practice, MGS Medical Practice, West Park Surgery (Formally known as 80 Tettenhall Rd Surgery).

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

(Taken from Public Health England Health Profiles, Published on 6 September 2016).

Health in summary

The health of people in Wolverhampton is generally worse than the England average. Wolverhampton is one of the 20% most deprived districts/unitary authorities in England and about 30% (14,900) of children live in low income families. Life expectancy for both men and women is lower than the England average.

Health inequalities

Life expectancy is 8.0 years lower for men and 7.1 years lower for women in the most deprived areas of Wolverhampton than in the least deprived areas.

Child health

In Year 6, 25.9% (717) of children are classified as obese, worse than the average for England. The rate of alcohol specific hospital stays among those under 18 was 31.6*. This represents 18 stays per year. Levels of teenage pregnancy, GCSE attainment, breastfeeding initiation and smoking at time of delivery are worse than the England average.

Adult health

The rate of alcohol-related harm hospital stays is 935*, worse than the average for England. This represents 2,161 stays per year. The rate of self-harm hospital stays is 250.1*, worse than the average for England. This represents 647 stays per year. The rate of smoking related deaths is 307*, worse than the average for England. This represents 405 deaths per year. Estimated levels of adult excess weight, smoking and physical activity are worse than the England average. The rate of TB is worse than average. The rate of people killed and seriously injured on roads is better than average.

Public Health Local priorities

Priorities in Wolverhampton include reducing smoking in pregnancy and overall smoking prevalence within the city, reducing obesity across the life course, and reducing alcohol-related liver disease and associated mortality. For more information see residents' health and wellbeing at www.wolverhampton.gov.uk.

* rate per 100,000 population



Activity Overview 2016-2017

During the financial year 2016-2017, we took the decision to migrate community activity data so that it is now recorded within the same patient administration system as acute activity. As a result we are now able to provide activity summary tables that combine acute and community activity for Inpatient and Outpatient services. Service contacts that occur outside of hospital sites in community settings are still outlined separately.

In summer 2016 we closed a ward at West Park hospital. This followed a decision to maximise the nurse staffing resource across fewer wards for patient safety reasons. This has led to a decrease in the number of transfers between 2015-2016 and 2016-2017.

There has been a planned increase in the number of maternity admissions and births. This is due to a number of reasons including a growth in the number of mothers from the Wolverhampton / Staffordshire border choosing to give birth at the Trust, alongside a formal agreement to support 500 mothers who were diverted to New Cross hospital from Walsall Healthcare whilst work was taking place at the Manor Hospital site to improve the estate and staffing resources.

We acquired Cannock Minor Injuries Unit in March 2015; therefore 2015-2016 financial year was the first full year of operation. Vocare are a private provider delivering a GP led Urgent Care service within the New Cross Urgent and Emergency Care Centre, since November 2016.

The increase in Outpatient attendances between 2015-2016 and 2016-2017 is primarily due to the Trust recording additional test activity in line with commissioning rules, which was not previously recorded. The addition of the new Community Rapid Response Nursing Team and the Home Inreach Team has resulted in a higher than normal increase in the number of first community contacts recorded during 2016-2017.



Trust activity is summarised in the tables below:

Table 1 Admissions

Admissions	Year	2013/2014	2014/2015	2015/2016	2016/2017	Percentage difference					
						2012/13 - 2013/14	2013/14 - 2014/15	2014/15 - 2015/16	2015/16 - 2016/17		
Admission Method:											
Emergency		37,824	42,675	45,802	44,177		12.8%	7.3%	-3.5%		
Planned Overnight Stays		8,089	7,732	7,874	7,597		-4.4%	1.8%	-3.5%		
Planned Day Admissions		45,536	47,254	58,774	61,252		3.8%	24.4%	4.2%		
Regular Day Admissions		30,572	30,553	30,843	30,694		-0.1%	0.9%	-0.5%		
Transfers		883	936	738	550		6.0%	-21.2%	-25.5%		
Maternity		8,984	9,364	9,845	11,356		4.2%	5.1%	15.3%		
Births		4,197	4,199	4,567	5,066		0.0%	8.8%	10.9%		
Total		136,085	142,713	158,443	160,692		4.9%	11.0%	1.4%		

Table 2 Emergency Activity

Emergency Activity		2013/2014	2014/2015	2015/2016	2016/2017	Percentage difference			
						2012/13 - 2013/14	2013/14 - 2014/15	2014/15 - 2016/17	
New Cross A&E (Type1)		109,375	117,290	127,906	131,134		7.2%	9.1%	2.5%
GP Urgent Care Centre		-	-	-	31,131		-	-	-
Phoenix Walk in Centre Attendances		35,179	36,740	38,824	38,975		4.4%	5.7%	0.4%
Cannock Minor Injuries Unit		-	1,115	13,124	14,207		-	-	8.3%
Total		144,554	155,145	179,854	215,447		7.3%	15.9%	19.8%

Table 3 Referrals

Referrals		2013/2014	2014/2015	2015/2016	2016/2017	Percentage difference			
						2012/13 - 2013/14	2013/14 - 2014/15	2014/15 - 2016/17	
New		226,908	273,624	332,621	373,881		20.6%	21.6%	12.4%
Total		226,908	273,624	332,621	373,881		20.6%	21.6%	12.4%

Table 4 Outpatient Attendances

Outpatient (Attendances)	Patient Type:		2013/2014	2014/2015	2015/2016	2016/2017	Percentage difference			
							2012/13 - 2013/14	2013/14 - 2014/15	2014/15 - 2016/17	
New			168,572	191,070	230,661	258,287		13.3%	20.7%	12.0%
Review			387,580	434,719	509,521	542,279		12.2%	17.2%	6.4%
Total			550,230	619,740	740,182	800,566		12.6%	19.4%	8.2%

Table 5 Community Contacts

Community Contacts	Year	2013/2014	2014/2015	2015/2016	2016/2017	Percentage difference			
						2012/13 - 2013/14	2013/14 - 2014/15	2014/15 - 2015/16	2015/16 - 2016/17
First		53,142	54,020	56,133	59,660		1.7%	3.9%	6.3%
Subsequent		449,414	463,355	458,122	447,860		3.1%	-1.1%	-2.2%
Total		502,556	517,375	514,255	507,520		2.9%	-0.6%	-1.3%

Our Vision and Values

The Royal Wolverhampton NHS Trust is an organisation that strives to provide high quality, safe care for our patients in an environment which our staff are proud to work in.

We believe that by adhering to our vision and working with our values in mind we can behave in a way which will ensure the right results for the people that matter most – our patients.

Our vision is to be an organisation striving continuously to improve patient experience and outcomes. We pledge that we will always strive to be safe and effective, kind and caring and exceeding expectation.

Our values and behaviours are:

Safe & effective				
We will work collaboratively to prioritise the safety of all within our care environment				
Safety	Raising concerns	Communication	Teamwork	Reassuringly professional
Kind & caring				
We will act in the best interest of others at all times				
Welcoming	Respectful	Helpful	Listen	Appreciate
Exceeding expectation				
We will grow a reputation for excellence as our norm				
Aiming High	Improving	Responsible	Timely	Makes connections

Our Strategic Objectives and the risks to achieving them

We reviewed and refreshed our 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.

Our risk and assurance framework is more fully described in the Annual Governance statement (see page 34). The Trust Board has identified a number of key risks to the achievement of its strategic objectives in 2017/18:

- Workforce - Recruitment and retention of staff across the Trust and in particular the future pipeline of nursing and medical staff
- Risk of adverse impact on the Trust following service transfer from Mid Staffordshire FT in November 2014 due to underlying financial gap of £6million
- That there is a failure to deliver recurrent CIP's
- That the deficit plan (before Sustainability and Transformation Funds) for 2016-2017 is not achieved and the medium term financial plan fails to bring the Trust back to surplus
- That the Trust fails to generate sufficient cash to pay for its commitments
- Shortage of qualified nurses across the Division
- Risk to quality of patient care: reduced manpower
- Lack of robust system for review and communication of test results
- Delays in Emergency Department Cubicle Assessment and Triage

Going Concerns

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 2017-2018 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 2017.



What We Achieved – Performance Summary 2016-2017

Like many other healthcare providers we have 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.

- CCH Education Academy – external funding was awarded to RWT to upgrade the multi-professional educational facilities at CCH, and this was completed within 3 months. The official opening of the centre will take place in June, and will showcase a purpose built library, additional seminar facilities as well as a refurbished conference room with state of the art IT and audio-visual equipment for the benefit of CCH staff.
- The annual Academy Education Awards event took place in March 2017, and 18 awards were presented to individuals or teams who have excelled in the area of Education and Training within their specialist field.
- Achieving good performance against a number of targets in the context of increasing demands, for example no cases of MRSA, 97.46% of patients with fractured neck of femur undergoing surgery within two days of admission (target 80%), 89.16% of stroke patients spend 90% or more of their stay on an Acute Stroke Unit (target 80%), 93.93% (target 93%) of patients referred with suspected cancer.



- Delivering a net financial surplus and achieving all our financial targets.
- Successful transfer of an increasing number of GP practices into the Trust.
- Achieving NHS targets for CO2 emission reduction.
- The Trust achieved the Workplace Wellbeing Charter in 2016 and this national standard provides the foundation for improving staff wellbeing and experience at work. A multi-disciplinary steering group ensures the Trust approach to workplace wellbeing continues to improve. The group has developed a wellbeing approach to attendance at work and continues to work with local partners to improve the health and wellbeing of staff.
- The results from the 2016 National NHS survey show that the Trust has improved its performance for a number of the key findings, both on previous year results for the Trust (2015) and when compared to the average (median) performance nationally for combined and acute community Trusts. The key findings on advocacy i.e. whether employees will recommend the Trust as a place to receive care or to work continues to be above the national average.
- Sign up to Safety - As part of the Sign up to Safety initiative the Trust has committed to improving the safety culture and team effectiveness through a number of mutually supportive interventions which addressed human factors, staff and team communication, emotional intelligence and wellbeing. The Trust has already invested in related training for Human factors, Clinical Simulations, Emotional intelligence, Process Communication and Leadership and the project funding will be used to accelerate training interventions focusing on improving and enhancing communication (PCM) in the 3 prioritised areas i.e. Maternity, A&E and Orthopaedics. A team optimisation model is under development and will be a key intervention of the Sign up to Safety project.
- 98% compliance with the Duty of Candour requirements - The Duty of Candour is a legal duty placed on all hospital to inform and apologise to patients if there has been mistakes in their care that have led to harm. Duty of Candour aims to help patients receive accurate, truthful information from health providers.
- Winning the tender to provide a Transport and warehousing solution to Birmingham Community NHS Trust, for the next 2 years.
- Successful opening of 2 in-house coffee retail outlets which are providing a financial contribution to the Trust.
- A new complete Radio system was installed on the site offering better quality communications, this has now been rolled out to various departments including Security, Emergency Preparedness, Gold, Silver control rooms, Portering and the Waste team, all radios are equipped with a dedicated emergency channel that can be used in times of a major incident.
- Launch of a unique innovative electronic 'in house' mandatory fire safety training presentation for clinical areas, designed to give staff guidance on how to carry out 'progressive horizontal' evacuation.

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

Overall we are pleased to have delivered an increasing range of high quality services within a financially constrained environment. This has been achieved set against a number of challenges faced over the year. These are notably:

- Ensuring we had the right numbers of staff with the necessary qualifications and experience.
- The need to identify and deliver a cost improvement programme with no detrimental impact on the quality of service delivery.
- Increasing numbers of ambulance journeys to our Emergency Department.
- Increasing demands on the service causing pressures on achieving the National performance targets.
- Service reconfiguration to maintain / improve the delivery of high quality services.

A2 - Performance Analysis

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

We have 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 2016/17 the Trust performed well against the following key targets:

- MRSA = 0 cases in year against a target of 0
- Patients referred with suspected cancer 93.93% (target 93%)
- Patients will wait no longer than 31 days from diagnosis of cancer to first treatment = 96.47% (target 96%)
- Stroke - Percentage of patients that have spent 90% or more of their stay in hospital on ASU = 89.16% (target 80%)
- Where possible patients will not have their operation cancelled at short notice = 0.42% (target <0.8%)
- Percentage of patients with fractured neck of femur undergoing surgery within two days of admission = 97.46% (target 80%)

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

- 18 weeks referral to treatment incomplete pathways = 90.89% (target 92%)
- Patients treated/admitted from A&E with 4 hours = 90.66% (target 95%)
- Ambulance handover = 985 (30-60 minute) breaches and 178 (>60 minute) breaches
- Falls resulting in serious harm = 50 (this is a slight improvement from last year which was 53)
- Delayed Transfers of Care = 5.63% (target <4%), however, our performance excluding social care delays = 2.34%
- *C Difficile* = 45 cases (year-end target of 35), this is an improvement from last year (73)
- Patients with a diagnosis of cancer will wait no longer than 62 days = 77.47% (target 85%); the Trust has a detailed standard improvement plan in place to address this performance

Cancelled Operations at Short Notice

We achieved this target with a year end performance of 0.42% against a target of <0.8%. The largest cause for cancelled operations on the day of surgery during the year was due to running out of theatre time, this is largely due to complex cases in theatre taking longer than anticipated thus leaving no time to finish the scheduled list and this represented 40% of the total cancellations for the year. The second largest reason was due to lack of bed capacity at 24%.

Patients Treated/admitted from A&E within 4 hours

We saw increased numbers through the Emergency Department during 2016/17, with an additional 3,655 (2.79%) attendances at the New Cross site, 296 (0.76%) at the Phoenix Walk in Centre and 1,025 (7.22%) at Cannock Minor Injuries Unit. On an average basis, this equates to an additional 415 attendances per month during the year.

In April 2016, Vocare (West Midlands Doctors) commenced their urgent care service in the Urgent Emergency Care Centre of which some patients were triaged on to them from the Emergency Department.

Ambulance Handover

The Trust saw an increase in ambulance conveyance numbers during the year with an additional 1,633 (3.57%) ambulances. However, we also saw an increase in handover breaches; this is largely due to experiencing large groupings of conveyances in short time periods.

18 weeks Referral to Treatment – Incomplete

We failed to maintain compliance with the headline position for Referral to Treatment (RTT) measures at Trust level for incomplete pathways. This is partly due to the industrial action that took place early in the year resulting in the cancellation of many outpatient and inpatient procedures. The effect of this impacted on the preceding months, this has also been exacerbated by an increase in referrals.

Patients with a Diagnosis of Cancer will wait no longer than 62 days

We 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 126 tertiary referrals received in the year only 29% were received before day 42 of the patient pathway (operating guidelines state referrals should be made within 42 days) and 25% of referrals received were after the patient pathway target date had passed.

Infection Prevention

The Trust's infection prevention programme continued throughout 2016/17. Key accomplishments were seeing no cases of MRSA Bacteraemia during the year and a reduction in *C Difficile* to 45 cases in year compared with 73 in the previous year.



Key Financial Performance Information

The following summary of financial performance during 2016-2017 is drawn from the Annual Accounts, an overview of which can be found on page (insert page number here). 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 2016-2017 the Trust made a surplus of £8,542,000 after impairment and allowing for accounting adjustments.

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 2016/17 it achieved this, spending £4,626,000 (£27,100,000 2015/16) (against a target of £4,638,000 (£27,706,000 in 2015/16).

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 £21,817,000 (£38,116,000 in 2015/16) against a limit of £22,263,000 (£38,349,000 in 2015/16).



Valuation of Trusts Land & Buildings:

The value of the Trust's land and buildings has been assessed by an independent professional valuer. It is based on an alternative site MEA valuation, undertaken specifically in accordance with the HM Treasury guidance which states that such valuations are an option if the Trust's service requirements can be met from the alternative site. The valuation has been adjusted at 1 April 2016 to alternative site MEA valuation and to exclude VAT from the Radiology PFI Building in line with existing VAT regulations on recovery from the cost of construction (in line with the existing PFI arrangement). The value of the Trust's land and buildings at 31 March 2017 has then been subject to revaluation 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.

Other key financial information includes the following:

- 120,516 invoices received during the year, 98,263 (81.5%) were paid within 30 days of receipt of goods or a valid invoice (whichever is the latter).
- Against a turnover of £536,028,000, the break-even in-year position was £8,542,000, with a break-even cumulative position of £46,795,000.
- The accounts for the Trust were produced in line with the 2016/17 Department of Health Group Accounting Manual (GAM), with particular judgment being exercised this year in regard to provisions, leases and useful economic lives of assets.



Sustainable Development

We stated in last year's Annual Report 2015-2016 that "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.

We are committed to sustainability and have in place a sustainable development strategy 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."

What have we been doing?

In many ways the strategy is aimed at minimising the impact that our activities have on the environment by reducing the unnecessary and wasteful consumption of energy, by using energy derived from greener or more energy-efficient sources and by improving the efficiency of our buildings and the equipment that is used within those buildings.



We can detail how initiatives within the Transport and Travel Plan such as providing secure bicycle shelters, changing facilities and showers, free bike 'MOT' checks and the option to purchase bikes through a salary sacrifice scheme encourage staff living close to the hospital to leave their cars at home. For those travelling further a travel card scheme enables staff to purchase discounted annual bus and rail tickets and spread the cost across the year, and an hourly shuttle bus service between New Cross and Cannock Chase Hospitals is free of charge to patients and staff. For those who must drive to work, the use of electric and hybrid cars is encouraged by the provision of electric hook up points in the multi-storey car park.

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. Paper transactions are being reduced by use of electronic catalogues, electronic tendering and electronic purchasing and how we are working with suppliers to identify packaging requirements so that the manufacture and disposal of unnecessary packaging is reduced and, where possible, recycled.

We are able to describe how all our major construction projects are designed and built to high environmental specifications to achieve the rating of BREEAM 'Excellent' and include passive systems such as solar shading, natural ventilation, sunpipes and windcatchers to reduce their energy requirements. We can give examples of our investment in green technology such as energy efficient LED lighting with smart controls to match the brightness of those lights to available daylight and switch them off when not needed. Energy efficient heating and cooling systems, controlled by building management systems which precisely match their output to the requirement, are installed to minimise consumption.

We have embraced exciting new technologies which provide free energy from sunlight such as solar-thermal and photovoltaic panels and Phase Change Material (PCM) technology. This has been included in both the Pathology and Emergency Centre buildings and provides totally free cooling and heating. This occurs 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 when the PCM changes back to its solid phase. Other systems such as heat pumps, which make use of and recycle the heat generated by the cooling plant that would otherwise be wasted by dispersion into the atmosphere, further reduce the energy required to be put into buildings.

We generate our own electricity on site in our Combined Heat and Power (CHP) plants which provide approximately 65% of all of our needs. This is much less harmful to the environment than using electricity from the national grid as the excess heat used by us in electricity generation is captured and used for heating the buildings and our domestic hot water whereas it is wasted in commercial power stations.

Staff are trained and encouraged to minimise waste and, wherever possible, segregate this for recycling. Introduction of two new larger and more energy efficient compactors at New Cross and Cannock Chase Hospitals has reduced the electrical energy required for compaction and, by halving the number of weekly collections required, made significant reductions in the burning of diesel fuel for transporting waste to recycling centres.



Achieving this target required us to reduce its CO2 emissions from a base of 19,476 tonnes in 2009 to 17,317 tonnes in 2015 as shown in the graph below:

Table 6 CO2 Emissions

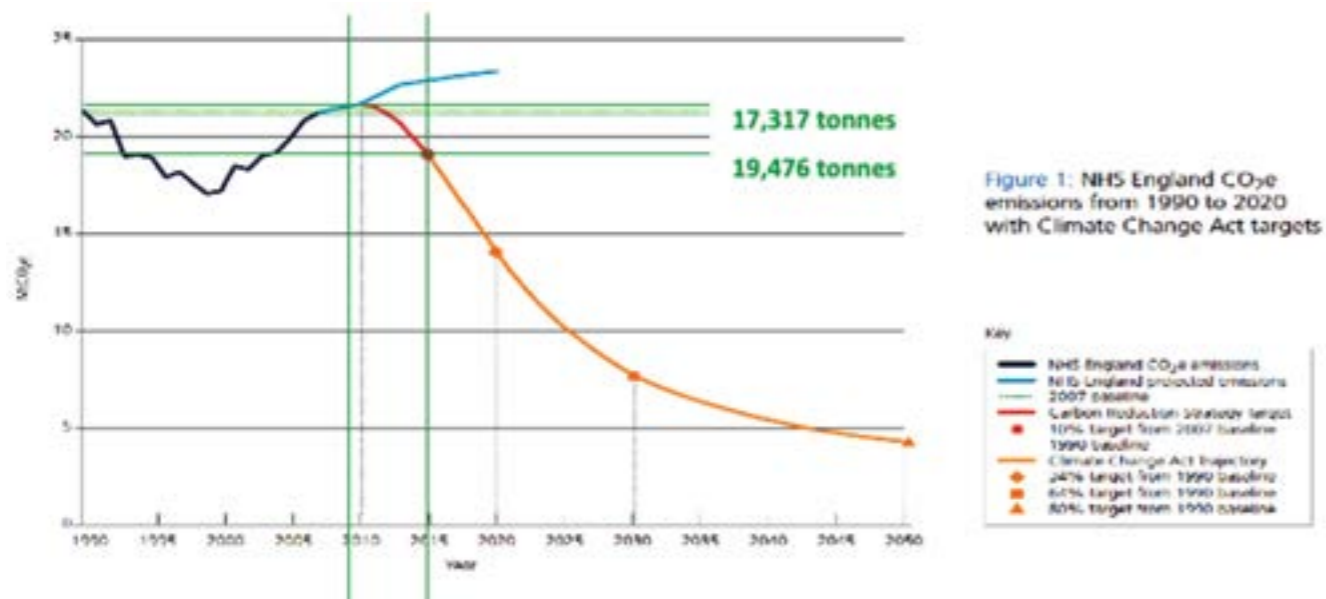


Table 7, below, shows that not only did we achieve the target set by the NHS SDU but went on to better this by another 474 tonnes of CO2 reductions having reduced total CO2 emissions at New Cross to 16,843 tonnes. This was achieved despite activity levels, with associated increased energy demands, increasing by some 40% in the same period.

Table 7 Carbon Management Plan Achievements

These Tables Demonstrate the Achievements of the Carbon Management Plan – February 2011

	Emissions (t CO ₂)	Turnover (£M)	Emissions per Unit of Income (kg CO ₂ /£)	Employees (Person)	Emissions per Employee (kg CO ₂ /person)	Occupied Floor Area (m ²)	Emissions per Unit of Area (kg CO ₂ /m ²)
2009/10	19,476	289,830	67.20	4,395	4,431.40	116,830	166.70
2014/15	16,843	433,330	38.87	6,174	2,728.05	121,405	138.73
Change	-13.52%		-42.16%		-38.44%		-16.78%

Despite greatly increased activity the Trust achieved impressive reductions in emissions.

	Climate Change Act Target (t CO ₂)	Total Emissions at New Cross (t CO ₂)	Emissions from Buildings (t CO ₂)	Emissions from Transport (t CO ₂)	Emissions from Waste & Water (t CO ₂)	Predicted BAU Emissions (t CO ₂)	Emissions Reduction from BAU (t CO ₂)
2009/10	19,476	19,476	18,503	388	585	19,476	21,510
2014/15	17,317	16,843	15,855	638	350	21,510	16,843
Change	-11.09%	-13.52%	-14.31%	+64.43	-40.17%	+10.44	-21.70%

The Trust bettered the 5-Year CO2 Emissions Reduction Target set by the NHS Sustainability Unit to comply with the provisions of the Climate Change Act by 474 tonnes.

What are we doing now?

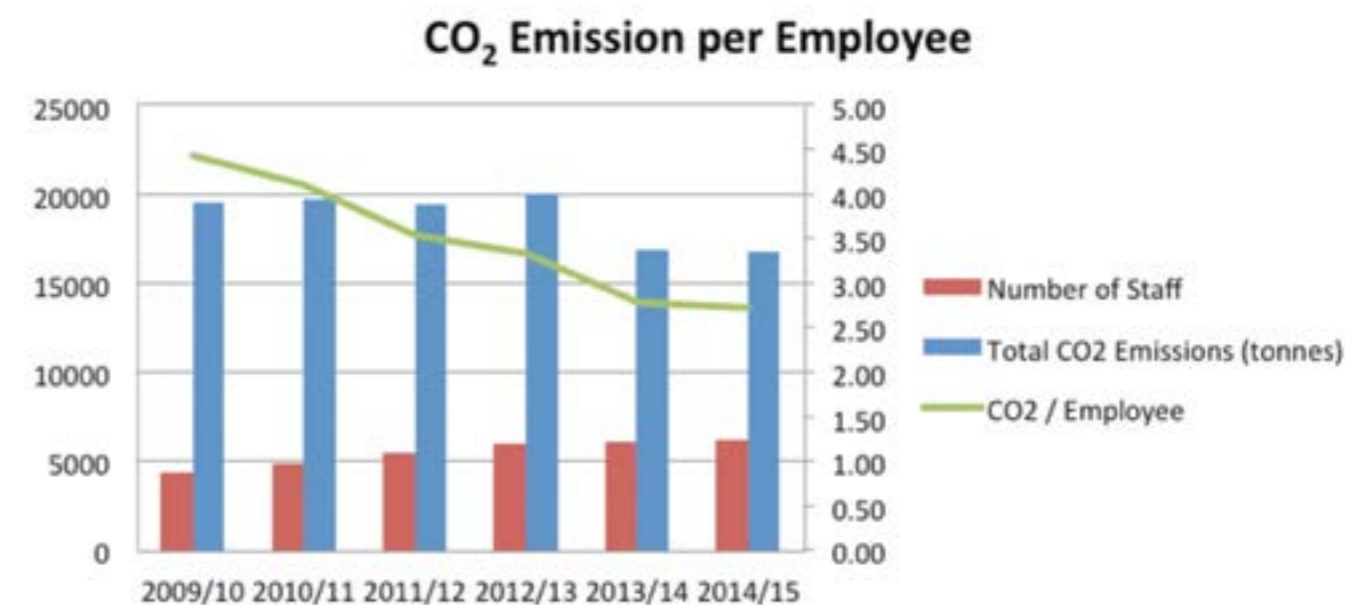
We are currently investigating a strategy for achieving further significant Carbon savings through of series of interconnected projects to improve the efficiency of our incinerator, the boilers and the CHP plants.

We are also looking at trigeneration as a possible way of extracting even more free energy from our CHP plants, using absorption chillers to turn waste heat into cooling which can be used to chill water for air conditioning.

An ambitious programme of replacing old lighting systems throughout our estate with modern, energy-efficient, smart LED lights as already installed in some of our latest building projects is being considered.

Awareness campaigns have been effective in encouraging staff to 'Save Power – Switch Off' but we are now also using technology to help staff in their efforts to further reduce the Carbon impact of their behaviour. Power management software is being introduced to monitor computers and put them into 'sleep' mode without impacting on users when it detects that there has been no activity for a predetermined period of time.

Table 8 CO2 Emissions Per Employee



Our staff have already been very successful at reducing CO2 emissions and will now be further helped by the current initiative being rolled out across all areas of the Trust to replace the many standalone desktop printers, photocopiers and fax machines with Multi-Function Devices which will reduce energy consumption and associated CO2 emissions.

We continue to promote and support sustainability in everyday activities and are actively investigating innovative and highly technological new ways of meeting the future challenges presented by the NHS commitment to further reductions in CO2 emissions against the background of ever increasing hospital activity and demand for more energy.

Engagement with Public, Patient & Stakeholders

Patient and public engagement (or involvement) is a continual process of working with patients, carers and other stakeholders (including relatives and advocates) to design, shape and develop services to improve services for its patients and their representatives. The Trust has a rolling 3 year strategy for Patient and Public Engagement which identifies the benefits of local engagement, and provides us with a framework to achieve our objectives.

We have continued to hold a bi-monthly Patient Experience Forum, which is open to patients and public members to seek their views on our services, and help us shape future developments. We also hold a bi-monthly Equality and Diversity Steering Group, run with significant input from the Patient Experience Team. This group considers matters important in the Trust from an Equality Diversity and Inclusion perspective, in which we encourage participation from local stakeholders, to ensure voices of marginalised groups are listened to and understood in our service delivery and policies.

Representatives from the Trust, including from the Patient Experience Department attends regular meetings with the Vertical Engagement Patient Participation Group to extend our engagement with GP surgery patients. The Patient Experience Team have been pro-active in attending local events to publicise the work of the Patient Experience service and seek local views on the way Trust delivers care.

We encourage patients and carers to share their 'Patient Stories' with us by recording their experience of care and allowing us to share these recordings at Trust Board and Senior Management Forums, as both a staff learning tool, and opportunity for patients to express how it feels like to receive care from the us.

Serious Incidents

Occasionally things go wrong and we have designed a system for reporting and learning from such events. During 2016-2017 we reported 124 serious incidents (SI's) and 263 reportable incidents (RI's) through the serious and reportable incident system (STEIS) see Table 9. In the same period we reported 5 national never events and these are detailed below, see Table 10 – these figures are included in the accumulated figures table. Each of these incidents have been subjected to a rigorous root cause analysis investigation resulting in a corrective action plan being developed, which the implementation is followed up and monitored. We use these incident investigation reports to learn and to bring about improvements into the care we deliver.

Table 9 Serious Incidents Reported

Accumulated Totals (Acute and Community) SI's & RI's – April 2016 to March 2017	
Confidential Breach	41
C.Diff	9
Delay Diagnosis/Treatment	19
Drug Error	2
Failure to Act	2
Infection	8
MRSA	2
Missed Diagnosis	11
Referral Not Received	1
Radiology	1
Sub Optimal Care	2
Surgical	6
Treatment Given Without Consent	1
Unexpected Death	11
Unexpected Injury	3
VTE	3
Near Miss	2
Total	124
Pressure Ulcer	208
Maternity	8
Slip/Trip/Fall	47
Total	263

Table 10 Never Events Reported

Date	Location	Category
May 2016	Obstetrics & Gynaecology	Retained Foreign Object
September 2016	Radiology	Wrong Site Surgery
October 2016	Ophthalmology	Wrong Site Surgery
December 2016	Critical Care	Retained Swab
March 2017	Trauma & Orthopaedic	Incorrect Vanguard Component Implanted

Workforce

We are one of the largest employers within the local community and have a responsibility and intention to recruit a workforce which is representative of the diversity of the local community. We employ a significant proportion of its workforce from the Wolverhampton postcode and are committed to strengthening its networks with local schools, colleges and universities to provide a range of opportunities for employment at all levels including apprenticeships, entry level roles and healthcare career pathways.

The workforce profile is shown below:
Gender, Disability and Ethnicity

Table 11 Headcount:

Staff Group	Female	Male	Total
Trust Board	7	10	17
Senior Manager	141	98	239
Other Staff	6522	1532	8054
Grand Total	6670	1640	8310

Table 12 Proportion:

Staff Group	Female	Male
Trust Board	42.86%	57.14%
Trust Board Executive Director	37.50%	62.50%
Trust Board Non-Executive Director	44.44%	55.56%
Senior Manager	59.00%	41.00%
Other Staff	80.98%	19.02%
Grand Total	80.31%	19.69%

Disability:

The proportion of employees reporting a having a disability has increased by almost 1% going from 0.87% in 2015 to 1.82% in 2016. We have just completed a detailed exercise on updating the workforce data held on the Electronic Staff Record (ESR), this will impact on the accuracy of

future report. The category of "not declared" has also reduced by just over 13% from 67.56% to 54.49% - this may reduce further once the returns for the data cleanse have been updated.

Table 13 Disability

Disability	Headcount	%
No	5560	66.71%
Not Declared	2567	30.80%
Yes	208	2.50%
Total	8335	100.00%

Ethnicity:

Table 14 Ethnicity

The proportion of BAME within the workforce as at 31st March 2017 has shown an increase to 25.48% from 23.99%.

Ethnicity	Total	%
African	164	1.98%
Asian	248	2.99%
Bangladeshi	17	0.20%
Caribbean	253	3.05%
Chinese	48	0.58%
Indian	857	10.33%
Mixed White	131	1.58%
Other Black	47	0.57%
Other Mixed	32	0.39%
Other/Not Known	178	2.14%
Pakistani	140	1.69%
White	6185	74.52%
Grand Total	8300	100.00%

Staff Catchment Area

At the end of the financial year March 2017, 61.23% of staff had a WV postcode on the Electronic Staff Record; this was broadly comparable to March 2016 at 61.50%.

Listening to Our Staff

The People and Organisation Development Strategy 2016 – 2020 was approved at Trust Board during September 2016, this outlines our approach to workforce including staff engagement and participation. The Strategy sets out an improvement pathway for the next five years to enable a healthy work place where our values and behaviours are evident and staff work within an organisation that demonstrates its values every day. We are committed to providing the right conditions to support staff to strive continuously to improve patient experience and outcomes.

We already enjoy high levels of staff engagement and motivation and seek to build on these indicators still further to enhance patient experience and outcomes. The link between staff engagement and patient experience

and outcomes is well documented and we are following the tools and approaches contained within the Engage for Success framework* to enhance both staff and patient experience. We are committed to listen to staff and encourage staff to voice their opinions for improvements in service, and to support staff to work towards our vision and values at all times.

*<http://engageforsuccess.org/the-four-enablers>

The People and Organisation Development Strategy provides four key pathways for action, each aiming to provide an environment where staff can develop and grow personally and professionally in order to continually improve patient care.

Pathway One - Engagement and Culture

- Equality and Diversity
- Employee Relations and Retention
- Reward and Recognition
- Leadership, Engagement and continuous improvement

Pathway Two - Organisation Development

- Health, Wellbeing and Resilience
- Managing for Excellent Performance
- Leadership and Workforce Development
- Organisation Design

Pathway Three - Future Workforce

- Attraction, Recruitment and Retention – Employer Branding
- Apprentices and Graduates
- Best Start and Educational Pathways
- Career pathways and succession planning

Pathway Four - Workforce Intelligence and Planning

- Workforce Planning
- Effective use of technology
- Workforce Analytics and Intelligence
- HR metrics and performance

We continue to work on the development of action planning to deliver outcomes.

Volunteer Services

The last year has again been busy for Volunteer Services, and has provided many new developments and opportunities in extending the support we offer to patients and staff.

Volunteers help hospital cafés run, 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 the list goes on. 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.

In the last year new roles we have placed volunteers into include:

Further expanding 'Play Assistant' volunteers on the Children's ward, Paediatric Assessment Unit and Children's Outpatients

At Cannock Chase Hospital- placing volunteers within Cancer services, Outpatients, and Rheumatology

- Pathology at New Cross Hospital- placing 'Meet and Greet' volunteers at the building entrance to act as a visitor guide
- At West Park Hospital- developing ward based Patient Activity volunteers who provide a range of activities from a games group to gentle art and reminiscence activities

We currently have 450 active volunteers with up to a further 75 on a waiting list. In the last 12 months combined volunteer hours across the Trust was approximately 129,600 hours.

We are thankful for all the help the volunteers give and the way 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 2016-2017 include the following items:

- A "Premature Anne" training baby to further enhance staff training within Neonatal
- A Clearway Cough Assistor within Therapy Services
- Specialist fans throughout several departments to make patients as comfortable as possible
- Wig liners and scarves for patient workshops within Cancer services
- Contribution to the capital programme 2016-2017

The annual report of the Trust Charity will be published in the late summer 2017 and will contain more information about this aspect of our work.



B - Accountability Report

B1 - Corporate Governance Report

Directors Report

The Directors of the Trust

During the year 2016-2017 and up to the signing of the Annual report and Annual Accounts, the Accountable Officer for the Trust was David Loughton, CBE and the Trust Chairperson 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):

Dr J Anderson – Non-Executive Director & Senior Independent Director

R Dunshea – Non-Executive Director, Chair of Audit Committee

R Edwards – Non-Executive Director

C Etches, OBE – Chief Nurse and Deputy Chief Executive

J Hermans – Non-Executive Director

L Holland - Director of Human Resources and Organisational Development (substantive from July 2016, interim from October 2015)

S Mahmud – Director of Integration

M Martin – Non-Executive Director

G Nuttall – Chief Operating officer

Dr J Odum – Medical Director

S Rawlings – Non-Executive Director

M Sharon – Director of Strategic Planning and Performance

K Stringer – Chief Financial Officer

The Audit Committee comprised the following Non- Executive Directors during 2016-2017 and up to the signing of the Annual Report and Accounts: R Dunshea (Chairperson), J Anderson, M Martin and R Edwards.

The Remuneration Committee comprised the following Non-Executive Directors during 2016-2017 and up to the signing of the Annual Report and accounts: J Vanes, J Anderson, R Dunshea, R Edwards, J Hermans, M Martin and S Rawlings.

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

During 2016/17 the Trust 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 Trust Board. Executive Directors are responsible to the Trust 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 Trust Board. The Chief Executive Officer is the Accountable Officer to Parliament.

During 2016-2017 the Trust Board met monthly, except in August and December 2016 (as scheduled in the Trust Board Timetable), 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.

A fuller account of the Trust Boards work is provided in the Annual Governance Statement. See pages 31-47

The Appointment of Associate Non-Executive Directors

Professor Rob Stockley joined the Trust Board as an Associate Non-Executive Director with effect from 1 April 2016

Dr Jonathan Darby joined the Trust Board as an Associate Non-Executive Director with effect from 1 March 2017.

Board Membership



David Loughton CBE - Chief Executive
Appointed 2004

Mr. Loughton joined our 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 Private Finance Initiative (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 Attendances in 2016-2017: 12/12

Declaration of interests

- 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
- Health policy adviser to the Labour and Conservative Parties



Jeremy Vanes - Chairman of the Board
Appointed 2006
(Chairman since 2013)

Mr. Vanes is a Chartered Manager with diplomas in health, social care and public service leadership; his original degree was fine art. His career since 1986 includes youth social work, counselling, community arts, managing legal advice services and developing social welfare policy across four West Midlands local authorities. During 1992-2015 he was chief executive of Citizens Advice Bureau services, initially in Sandwell and later Wolverhampton.

Mr Vanes is currently an approved foster carer for Wolverhampton City Council and a director of the Refugee and Migration Centre in Wolverhampton. He sits on the City Board of Wolverhampton.

Board Attendances in 2016-2017: 12/12

Declaration of interests

- Member of Chartered Management Institute
- Member of Labour Party (individual member)
- Approved foster carer receiving placements from Wolverhampton City Council
- Trustee Director of Refugee and Migrant Centre, Wolverhampton.



**Cheryl Etches OBE -
Chief Nurse, Deputy
Chief Executive &
Lead Executive for
Safeguarding**
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 and professional standards. She previously held positions in Derby Hospitals and the Middle East. Ms Etches is a trustee for the South Staffordshire Medical Foundation and Governor for the Health Futures Technical College, located in West Bromwich.

Board Attendances in 2016-2017: 11/12

Declaration of interests

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



**Linda Holland -
Director of Human
Resources and
Organisational
Development**
Appointed July 2016

Ms Holland has worked across a diverse range of industrial sectors, public, private and not for profit during her career as a senior human resource 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.

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

Board Attendances in 2016-2017: 12/12

Declaration of interests

- Always About People Ltd – Director and major shareholder



**Sultan Mahmud -
Director of Integration**
Appointed September 2014

Mr. Mahmud has been in the NHS for 15 years and joins 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 Attendances in 2016-2017: 9/12

Declaration of interests

- None declared for 2016-2017



**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 & 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 Attendances in 2016-2017: 12/12

Declaration of interests

- None declared for 2016-2017



Jonathan Odum - Medical Director

Appointed 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 Attendances in 2016-2017: 10/12

Declaration of interests

- None declared for 2016-2017



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 Attendances in 2016-2017: 12/12

Declaration of interests

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



Mr Michael Sharon - Director of Strategic Planning and Performance

Appointed 1 January 2016

Mr. Sharon 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 Attendances in 2016-2017: 11/12

Declaration of interests

- Member of Remain Campaign (EU) until 23 June 2016



Janet Anderson - Non-Executive Director (Senior Independent Director)

Appointed April 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 Reconfiguration Group, West Midlands SHA (2006-2009).

Dr Anderson was principal regional examiner in Paediatrics for the Far East (RCPCH 2007-2012) and continues to teach and examine in the UK. She is an Hon. Senior Lecturer for Birmingham Children's Hospital (1985-ongoing).

Board Attendances in 2016-2017: 12/12

Declaration of interests

- RCPCH – Member of Examinations Board
- Chair of Governors at Penn Hall School
- Compton Hospice – Trustee / Director



**Roger Dunshea -
Non-Executive Director**

Date Appointed April 2014

Mr. 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 Attendances in 2016-2017: 11/12

Declaration of interests

- General Chiropractic Council – Lay member
- Medical Research Council - independent member of Risk and Audit Committee.
- Equality and Human Rights Commission - independent member of Audit and Risk Committee
- Geological Society of London – Member of Audit Committee
- North Salop Wheelers Ltd (Community Bus company) – Social services (contract with NHS) – bus driver



**Rosi Edwards -
Non-Executive Director**

Appointed as an Associate Non-Executive Director in July 2013, and became a Non-Executive Director with effect from November 2013

Before joining the Board, Ms Edwards was the Regional Director for Wales, Midlands and the South West in the Health and Safety Executive. A senior manager with over 20 years' experience of working in a large well established regulatory body, managing leaders of operational and specialist teams and overseeing investigations into deaths, injuries and occupational ill-health and subsequent legal action. Over 30 years in regulating businesses and assessing their risk management abilities and failings and identifying practical measures to enable them to perform adequately.

Board Attendances in 2016-2017: 11/12

Declaration of interests

- Labour Party, Hall Green Constituency – member of Executive Committee (vice chair: Policy)
- 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 (from March 2016)
- Daughter is a governor at the Heart of England Foundation Trust



**Junior Hemans -
Non-Executive Director**

Appointed May 2015

Mr. Hemans 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.

Junior 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 Attendances in 2016-2017: 8/12

Declaration of interests

- Libran Enterprises (2011) Ltd - Director
- 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
- University College Birmingham – visiting lecturer



**Mary Martin -
Non-Executive Director**

Appointed July 2013

Ms. 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. Financing 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 focused 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 Attendances in 2016-2017: 10/12

Declaration of interests

- Martin Consulting (West Midlands) Ltd – Director / owner of business
- Performances Birmingham Ltd – Trustee / Director, Non-Executive member of Board for the charity
- Performance Birmingham (Enterprises) Ltd – Director, Trading subsidiary of the charity
- Midlands Art Centre – Trustee / Director, Non-Executive member of the Board for the charity
- Guardian of the Standard of the Wrought Plate for Birmingham Assay Office



Sue Rawlings - Non-Executive Director

Appointed July 2013 (Served
as an Associate Non-executive
Director from 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 16 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 and 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 both the Beacon Centre for the Blind and a Director of Beacon4Life CIC.

Board Attendances in 2016-2017: 11/12

Declaration of interests

- Rawlings Heffernan Consultancy Services Ltd (RHCS Ltd) - Director / Company Secretary
- Beacon Centre for the Blind - Trustee
- Director of Beacon4Life CIC



Dr Julian Parkes - Associate Non- Executive Director

Appointed July 2015 -
May 2016

Dr Parkes is a General Practitioner in Wednesfield, Wolverhampton. He qualified from Birmingham University in 1984 and after junior positions in various Birmingham hospitals joined the Group Practice, Alfred Squire Road as a trainee and then as a partner in 1989. He was a member of the Professional Executive Committee of Wolverhampton Primary Care Trust 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 Clinical Commissioning Group and also has a role with Keele University in the School of Pharmacy.

Board Attendances in 2016-2017: 2/2 (part year)

Declaration of interests

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

Professor Rob Stockley - Associate Non-Executive Director

Joined with effect from 1 April 2016

Prof. Stockley joined the Trust Board with a particular expertise and interest in research. He is currently employed at the University Hospitals Birmingham NHS Foundation Trust as Director - Lung Immuno Biochemical Research laboratory.

Board Attendances in 2016-2017: 8/11 (part year)

Declaration of interests

- West Midlands Chest Fund – Chairman Research Charity
- COPD Conferences Ltd – Director, International Clinical Meeting
- Bronkotest – Co-director (Patient reported outcome tool for clinical trials)
- MRC – Co applicant, research project
- EU – Principal Investigator, research project
- Alpha One Foundation – Co applicant, research group
- National Institute of Health Research – Principal Investigator, research collaboration

Personal data incidents 2016-2017

Summary of serious incidents requiring investigation involving personal data as reported to the Information Commissioner's office in 2016-2017.

This information can be found on pages 41-42 of the Governance Statement.

Statement on disclosure to the Auditors

Each Executive Director has given a formal statement to the effect that s/he knows of no information which would be relevant to the auditors for the purpose of their audit report and of which the auditors are not aware and has taken all the steps which s/he 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 Officers responsibility

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 purpose 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 are a whole is fair, balanced and understandable. I take personal responsibility for the Annual Report and Accounts and the judgements 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 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

Signature:

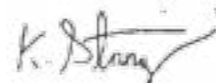


David Loughton, CBE

Chief Executive

Date: 1 June 2017

Signature:



Kevin Stringer

Chief Financial Officer

Date: 1 June 2017

Annual Governance Statement 2016-2017

a) 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 have undertaken this in a number of ways. As Chief Executive, I attend the Wolverhampton City Council Overview and Health Scrutiny Panel where a range of topics have been discussed with local authority elected members. Reflecting our footprint in Staffordshire, I have also engaged with Overview and Scrutiny Panels and Healthwatch within the County of Staffordshire. During the year a proportion of my time, and that of Director colleagues, has included involvement in the development of Sustainability and Transformation Plans (STP) in both the Black Country and Staffordshire.

There has continued to be close contact with commissioning organisations, 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 NHS Improvement (NHSI) through a range of group, individual, formal and informal meetings. I participate in the meetings of West Midland 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 Foundation Trust, Walsall Healthcare NHS Trust, University Hospital of Birmingham / Heart of England NHS Foundation Trusts (one chair), Sandwell and West Birmingham Hospital NHS Trust, The Shrewsbury and Telford Hospital NHS Trust, the University Hospital of North Midlands 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. He too has taken part in discussions towards developing STPs and the developments which might flow from them.

I meet periodically with the local Members of Parliament.

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 2017.

b) The Purpose of the Systems of Internal Control

Our 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.

c) The Governance Framework of the Organisation

We have a well-established framework for governance to inform the Trust 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 Trust Board assurance committees are constituted to ensure the delegated operation of effective risk management systems, processes and outcomes. These committees inform and assure the Trust Board through the functioning and reporting of sub-groups and specialist working groups defined in their terms of reference.

An Internal Audit report on Divisional Governance concluded that the governance arrangements from Directorate to Trust Board level have been well designed and, from the evidence gathered, are working in an effective manner and assurances are received through the whole structure. The evidence indicated that the Divisions are holding the Directorates to account appropriately. Six medium and two low level management actions were identified during the audit, and these have been or are in the process of being implemented.

Also during 2016-2017 the Trust underwent an independent review of governance by Deloitte. As part of the review the Trust Board and its Committees were observed, and Directors and senior staff were interviewed. The report was largely positive, but a number of recommendations were highlighted and these have now been included in an action plan which is being implemented.

The Trust Board

The Trust 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.

The Chairman's term of office was extended by another two years from March 2017. A new Associate Non-executive Director took up position in March 2017, replacing Dr Parkes who resigned in May 2016 when his GP practice became vertically integrated with the Trust. The Interim Director of Human Resources was appointed to the substantive position in July, but left the Trust on 31 March 2017, with an incoming Director of Workforce replacing her on 5 April 2017. The process to recruit another Non-executive Director with clinical experience was still on-going at the end of the year. At 31 March 2017 the Board comprised 7 female and 10 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
- The progress of the Financial Recovery Board
- GP Vertical Integration
- Reports and minutes from the Trust Board's standing committees
- Cost improvement programme (financial and qualitative delivery – within the Finance Report)
- Mortality (within the Integrated Quality and Performance Report)

The Trust Board receives a monthly Integrated Quality and Performance Report (IQPR) (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 safety thermometer), and those relating to operational performance (such as targets for referral to treatment times, time spent in the Emergency Department, ambulance handover times, cancelled operations and cancer waiting times). The indicators within the report are reviewed annually and approved by the Trust Board. The Trust Board also considered the conclusion of the Care Quality Commission (CQC) review, as requested by the Trust Board, into the ratings awarded following their inspection carried out in June 2015. The review recommended that in a number of areas, the original score should be increased. This can be summarised as follows:

New Cross Hospital children and young people services – the well-led and safe scores were increased to good and the service as a whole was lifted from requires improvement to good. For the Cannock Chase Hospital urgent and emergency care service the well-led and safe scores were increased to good and the service across both the New Cross Hospital and Cannock Chase Hospitals improved to good. The community children and young people service the ratings for caring and well-led were increased to outstanding. These changes resulted in the overall score for the service being increased to outstanding.

Whilst the Trust rating was not affected by the review, the Trust Board accepted the revised conclusion of the CQC following the lengthy review of our appeal.

The Trust Board strives to maintain an appropriate balance between strategic matters and supervising the management of the Trust. Among the former in 2016-2017 were: the recruitment of key staff particularly doctors and nurses, the 5-year capital programme, the continued development of the University of Wolverhampton Postgraduate Academic Institute of Medicine and the Trust's own clinical fellowship programme, vertical integration with GP practices, accountable care organisations, the development of the sustainability and transformation plans, and the financial challenges within the NHS.

The Trust Board maintains strong relations with stakeholders, including local commissioners, Healthwatch, and local authority overview and scrutiny committees.

The Non-Executive Directors (NED) 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).

Table 15 summarises the Trust Boards achievements in ensuring good and effective governance arrangements in managing the Trust Board over the year.

Table 15 – Board Composition and Commitment / Experience

Board Governance
All voting positions substantively filled
Senior Independent Director in position
Clarity over who is entitled to vote at Trust Board meetings
At least half of the Board of Directors comprises Non-Executive Directors who are independent
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 Trust Board and those who have served for longer
Majority of the Trust Board are experienced board members
Chairman has had previous non-executive director experience
Membership and terms of reference of Trust Board committees reviewed during the year
Two members of the Audit Committee have recent and relevant financial experience
Trust Board members have a good attendance record at all formal board and committee meetings, and at other board events.
A positive result from the independent external review of governance reported in year.

In addition to the Committees listed, Non-Executive Directors are also involved in sub Trust Board level groups. This enables them to gather information, question and when appropriate offer challenge and / or assurance at different levels within the organisation. They have individually taken part in the new format safety walkabouts, the Royal Awards, and chairing consultant interview panels.

As well as meeting formally, the whole Trust Board meets every month for a development session, this programme has covered a mixture of informal presentations around strategic and operational matters, as well as informal briefings and discussions, such as on financial pressures and service development opportunities in the Black Country. The Trust Board has also held two away days during the year.



Audit Committee

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

The aims of the Committee are to provide the Trust 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 2016-2017 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 (F&PC) and the Trust Management Committee (TMC).

One joint meeting was held with QGAC.

The Committee received and discussed reports on the:

- Annual Report for Trust Charitable Funds 2015-16
- Trust Annual Report 2015-16
- Quality Account and Annual Accounts 2015-16
- Cyber security internal audit report
- Proposed changes to the Modern Equivalent Asset (MEA) alternative site valuation of Trust land and property
- Recruitment processes audit

These matters featured in the Committee's reports to the Trust Board, including a high level summary of the Internal Audit reports received at each meeting. The Trust 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. We currently comply fully with the National Strategy to combat and reduce NHS fraud, having a zero tolerance policy on fraud, bribery and corruption. We have 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 when 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 QGAC 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 three Committee members have recent and relevant financial experience.

The Committee oversaw the process to appoint the Trust's internal and external auditors, and local counter fraud specialist, during the year.

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

Quality Governance Assurance Committee

Members: J. Anderson, R. Edwards, M. Martin

The QGAC provides assurance to the Trust 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 receives reports and minutes from four sub groups (listed below):

- Patient Safety Improvement Group (PSIG)
- Quality Standards Action Group (QSAG)
- Academy Steering Group (ASG)
- Complaints, Litigation, Incidents and PALs group (CLIP) - the committee received the quarterly reports on themes and trends of incidents, complaints and claims.

The Committee considered various matters during the year. The Board Assurance Framework (BAF) and Trust Risk Register (TRR) and the IQPR were reviewed in detail at each meeting.

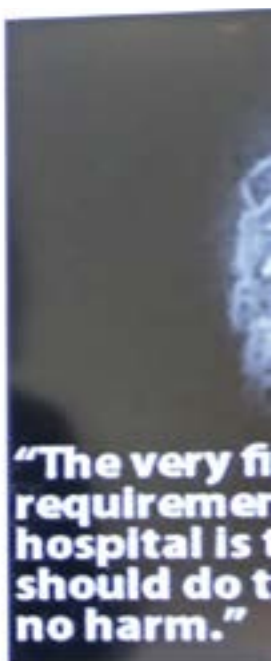
Other topics reported during the year included:

- Health and Safety assurance
- External review registry
- Safeguarding assurance
- CQC regulatory compliance assurance
- Claims and litigation
- Annual audit plan
- Mortality performance
- Themes and trends of incidents, complaints and claims

The Committee also reviewed the annual Governance Statement for review and challenge (alongside the opinion of the Head of Internal Audit). The Committee recognised progress made with the completion of the BAF and asked for continued development of the BAF format and arrangements to sustain progress. As well as routine reporting the QGAC have reviewed its schedule of themed reviews (deep dive reports) to cover priority areas for assurance.

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

- Rate of falls and the work of the falls collaborative
- Compliant performance and breaches
- Pressure injuries performance and joint work with Clinical Commissioning Group
- Performance target – Referral to Treatment (RTT)
- Emergency Department performance – admissions, waiting times etc.
- Compliance with Surgical Safety Checklist
- Safeguarding compliance and risk
- Venous thromboembolism (VTE) work development
- Quality review visit (QRV) outcomes
- Infection prevention performance – *C.difficile* and MRSA



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 outcome and actions following inspections and visits by external agencies, the progress of our clinical audit plan, service compliance with national reports and audit benchmarks including the follow up of actions and risks identified from this analysis. It received reports of individual internal QRV's and agreed a programme and process for re-visits to commence 2017/2018.

Patient Safety Improvement Group

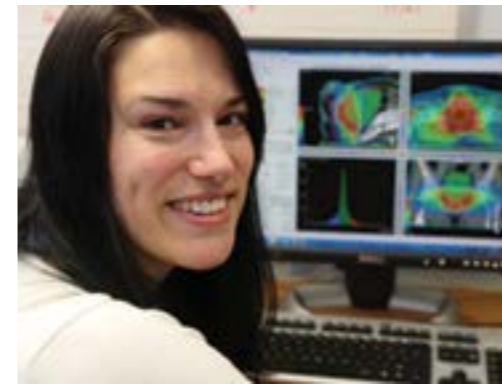
Non-Executive Director Observer: J Anderson

This Group met monthly and reports discussed monthly included serious untoward incidents, the use of safer surgery checklists, ward performance monitoring reports, various applications for new procedures and techniques and quality impact assessments for Cost Improvement Programme (CIP) schemes in 2016-2017. At scheduled times during the year the Group received reports on complaints performance, audits for 'being open', discharge, transfer, risk management processes, specialist subgroup reports (including mortality, medicines management, organ donation and sign up to safety) and ad hoc reports relevant to quality and safety of care (for example NPSA alert for naso-gastric tube management).

Quality Standards Action Group

Non-Executive Director Observer: R Edwards

This Group met monthly. Reports included CQC on-going compliance monitoring, nurse accreditation report, safeguarding, external reviews and inspections, clinical audit report (progress and annual), National Audit Reports, (for example, Pathology National External Quality Assessment Scheme (EQA) reports & cervical screening outcome data), National Confidentiality Reports, (for example Just Say Sepsis), miscellaneous national reports, such as National Confidential Inquiry into Suicide and Homicide (NCISH), Better Births and Confidentiality Inquiry into the Premature Deaths of People with Learning Disabilities), and subgroup reports, for example, SWAN (palliative care programme), Equality and Diversity Steering group, Trauma Governance Group, Information Governance, NICE.



Finance and Performance Committee

Members: M Martin, S Rawlings, and J Hemans.

The F&PC provides assurance to the Trust 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, our financial position, budget training report, the progress of the capital programme, and performance aspects of the Trust Board's quality and performance report. It also considers the work of the Financial Recovery Board and Cost Improvement Programme Group, service line reporting, Sustainability and Transformation Programme (STP), 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 BAF, 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. The Committee ended the year by agreeing objectives for 2017-2018.





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 Trust 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. NHS Improvement undertakes the appraisal of the Chairman, which took place in April 2017.

Charitable Funds Committee

Members: S Rawlings, R Dunshea, and J Vanes.

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 reviewed its investment policy and reserve policy, reviewed its terms of reference, as well as receiving quarterly reports from the Fund Managers on investment movements. The official re-launch of the charity's strategy took place in 2016. Projects supported this year have included funding a scanner for the Deanesly Centre, free public Wi-Fi, refurbishment of audio visual facilities in the WMI, and equipment in Neonates, Ophthalmology, and Cardiology.

Trust Management Committee

The TMC 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, nursing and midwifery professional issues, policies, the IQPR, and our efficiency programme. 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. During the year, the Committee started to include on its agendas a strategic matter for discussion, in order to engage the members in considering and debating together some of the bigger issues facing the organisation going forward.

d) Risk Assessment

The Trust Board has approved a 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.

We manage 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 (e.g. incident, complaint, claim, audit, and compliance)
- Using committee / subgroup reporting to inform the risk registers
- Reviewing external / independent accounts of our performance to inform risk status (e.g. CQC standards, national benchmarks, external reviews 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. Our 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 the Risk Register 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
- TRR – Any risks graded as 12 or above are escalated to the Trust Risk Register for consideration by Directors. This has the purpose to inform Directors and the Trust Board of operational risks which may adversely impact the BAF and strategic objectives. Risks / elements of controls may also be delegated from the BAF to operational risk registers for management
- BAF – Contains all risks which impact on our strategic objectives

Each risk on the BAF and TRR has an identified Director and operations lead to manage the risk.

The TRR and BAF are reviewed by Directors and the Board at the following frequencies:

- QGAC – Monthly
- Trust Board – Bi Monthly
- Finance & Performance Committee - Monthly
- Delegated Committees - Monthly

During the year we have maintained focus on the quality of controls assigned to risks at all levels and the principles of measurable controls are applied.

A total of 57 risks on the BAF and TRR were managed during the year 2016-2017, of these 26 were new risks identified in year. The 57 risks comprised of the following categories, 14 were red (red being the highest risk rating), 38 were amber, 4 were yellow, and 1 green.

There were 22 risks closed as at 31 March 2017, the remaining 35 to be carried forward to 2017/18 are:

9 risks are RAG rated within the red category, these are as follows:

- Workforce - Recruitment and retention of staff across the Trust and in particular the future pipeline of nursing and medical staff
- Risk of adverse impact on the Trust following service transfer from Mid Staffordshire FT in November 2014 due to underlying financial gap of £6million
- That there is a failure to deliver recurrent CIP's
- That the deficit plan (before Sustainability and Transformation Funds) for 2016-2017 is not achieved and the medium term financial plan fails to bring the Trust back to surplus
- That the Trust fails to generate sufficient cash to pay for its commitments
- Shortage of qualified nurses across the Division
- Risk to quality of patient care: reduced manpower
- Lack of robust system for review and communication of test results
- Delays in Emergency Department Cubicle Assessment and Triage

24 risks are RAG rated amber, 1 risk RAG rated yellow and 1 risk RAG rated green. All remaining risks will be managed and regularly reviewed on the Trust risk register and BAF.

e) 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 our vision
- A description of the committee arrangements and relationships between various corporate committees and subgroups
- The BAF 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.

We seek 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.

The BAF identifies the risks to our 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 2016-2017 provided advice on further developments to the BAF.

In addition, during 2016-2017 the local audit of the Risk Management Reporting Policy (OP10) showed good compliance with risk register review by directorates, and sustained improvement with risk escalation once identified.

All Committees of the Trust Board (excluding TMC) 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 reported to the Trust Board following their meetings.

We have a well-developed framework for assessing on-going compliance with CQC Fundamental standards of care (and 5 key questions of Safe, Caring, Effective, Responsive and Well Led) known as Quality Review Visits (QRV's). 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. Following each QRV we use the CQC rating characteristics to make judgements about compliance with the fundamental standards of care and judgments are cross checked and challenged at Divisional Management Performance / Quality meetings and by Executives at QSAG and QGAC. This approach allows for information to be triangulated between performance results and observation of care standards and allows for assurance to be reported from ward to Board.



The programme aims to:

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

During 2016 we conducted 12 QRVs identifying areas of good and excellent practice to be shared, as well as areas for improvement for local follow up. The QRVs are well embedded within the Trust with positive feedback and quality benefits being reported by both the clinical areas visited and those conducting the inspections.

We have developed a follow-up visit process which is to be rolled out in 2017-2018.

We have a robust process in place to ensure the quality and accuracy of the elective waiting time data. Over the past two years we have taken part in two nationally coordinated pieces of work to validate the waiting lists. Both have highlighted the strong processes and robust data reporting. The December 2015 report stated "The Trust can be assured that the current patient tracking list is of sound quality and there have been no concerns highlighted requiring the programme to escalate these internally or externally". We continue to invest in data quality and have externally commissioned waiting list training for over 80 people during the year.

To supplement this, a comprehensive and robust performance management process exists across the Trust to monitor waiting list data. 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; performance is discussed in-depth at the monthly Finance and Performance Committee and quality at the Quality Governance and Assurance Committee which are chaired by Non-Executive Directors, with further scrutiny taking place at the full Trust Board.

Whilst strong processes are in place, the inevitable risk remains with any human error. These are usually identified and resolved with the monthly validation checks that are in place. Whilst this system is robust, human error remains as the single biggest risk. A specific reporting issue was identified during 2016-2017 and we undertook an investigation and requested an immediate audit report of the issues. Details of the concerns and actions have been shared with all relevant commissioners and a revised standard operating procedure has been produced as a result of the incident.

The Risk and Control Framework - Looking Forward to 2017-2018

Over the coming year we will continue to progress enhancements to its internal assurance including a focus on strengthening local ownership and accountability, monitor compliance with CQC standards through the QRV revisit programme and develop a framework to build capacity for learning and improvement.

The key strategic risks identified as we go into the new financial year are:

- Workforce – Recruitment and retention of staff across the Trust
- Risk of adverse impact on the Trust following service transfer from Mid Staffordshire FT in November 2014 due to underlying financial gap of £6million
- Black Country or Staffordshire STP has an adverse impact on RWT income and services
- Failure to deliver recurrent CIPs
- That we fail to generate sufficient cash to pay for its commitments
- Condition of the existing estate – quality and flexibility
- That the underlying deficit for the Trust of c£30million is not addressed by the medium term financial plan and fails to bring us back to surplus

f) Information Governance

The table below details the level 2 or above incidents reported on the NHS Digital incident reporting tool and to the Information Commissioners Office (ICO), within the financial year 2016-2017. Any incidents that are still being investigated for the period 2016-2017 are not included. The incidents listed below are for The Royal Wolverhampton NHS Trust. For the Vertical Integration GP partnerships that have joined us, there have been no reportable incidents.

Table 16 – Information Governance Incidents Reported to the ICO

Date incident occurred (Month)	Nature of incident	Number of data subjects potentially affected	Description/ Nature of data involved	Further action on information risk
Nov-16	Disclosed in error.	2 patients	Two patients with similar names were discharged home from the Ward by the same midwife on the same day.	Both patients had the similar names were discharged on same day by same staff member. A thorough review of process was carried out and a detailed procedure has now been implemented to prevent re occurrence. No harm caused to either patient.
Oct-16	Cyber incident – Hacking	500 + staff	Third party providers of services to the Trust were subject to a malware attack in October 2016, in which the Trust's data was compromised.	Full forensic investigation commissioned by the provider. Trust conducting independent RCA
Sep-16	Unauthorised Access/ Disclosure	1 patient	A staff member accessed another staff member's health medical record for non-clinical reasons	Breach of Trust policy / procedures / NMC professional standards in accessing and changing personal records outside of professional remit / duties by member of staff. An appropriate and proportionate sanction was given following an HR process.
Aug-16	Disclosed in Error.	1250 patients	Spread sheet containing patient demographics emailed to correct recipient but via non secure means, and in wrong format.	Member of staff was new to the Trust and did not have practical experience of the process and so did not identify the consequence of sending this level of information to the Provider in this format, or via this method. Patient identifiable information was not required to be included in the emails sent. The email containing the information was deleted and re-sent in correct format. Documented process in place to prevent reoccurrence.
Jun-16	Unauthorised Access/ Disclosure	1 patient	Record printed off clinical systems found in staff changing room.	Member of staff failed to log off clinical session and another member of staff accessed a relative's record and printed it off. The staff member was the patient next of kin but access was inappropriate. An appropriate and proportionate sanction was given following an HR process.

Jun-16	Unauthorised Access/ Disclosure	2 patients	A member of staff raised concern that a colleague had accessed her own health records and those of her partner on clinical systems.	Discussed at Local Team Meetings with all department staff. Patient confidentiality reminder to be included as regular agenda item. An appropriate and proportionate sanction was given following an HR process.
May-16	Unauthorised Access/ Disclosure	1 patient	Member of staff accessed and then discussed patient information that was not in connection with the job role or in accordance with Trust Policy which constitutes a breach of confidentiality.	The Trust carried out a thorough investigation and a HR disciplinary was carried out. An appropriate and proportionate sanction was given following an HR process.

Incidents classified at lower severity level

Incidents classified at severity level 1 in line with NHS digital criteria are aggregated and provided in table below for The Trust. Vertical Integration practices recorded no level IG incidents for the period of 2016-2017.

Table 17 – Lower Level Incidents

Summary of other Personal Data Related Incidents			
Category	Breach Type	Total 2015/16	Total 2016/17
A	Corruption or inability to recover electronic data	0	2
B	Disclosed in Error	44	60
C	Lost in Transit	4	6
D	Lost or stolen hardware	4	2
E	Lost or stolen paperwork	15	7
F	Non-secure Disposal – hardware	0	0
G	Non-secure Disposal – paperwork	1	1
H	Uploaded to website in error	0	0
I	Technical security failing (including hacking)	11	11
J	Unauthorised access / disclosure	3	4
Total		82	93

6.1 Information Governance Toolkit Return 2016-2017

We completed the annual Information Governance Toolkit self-assessment submission (V14) for 2017-2017 to the Department of Health on 31 March 2017 as required.

The overall scores are as follows:

- RL4 - The Royal Wolverhampton NHS Trust - 79% Satisfactory (45 requirements)
- M92654 - MGS Medical Practice - 100% Satisfactory (13 requirements)
- M92007 - Lea Road Practice -100% Satisfactory (13 requirements)
- M92002 - Alfred Squire Practice - 91% Satisfactory (13 requirements)
- M92042- Tettenhall Road Practice – 94% Satisfactory (13 requirements)

6.2 Information Governance - Looking Forward to 2017-2018

We continue to monitor patterns and trends of information governance incidents and implementing measures to reduce these to the lowest level practicable, in line with our Information Governance Strategy 2016-2018. An IG risk profile is also being developed in order for us to identify and manage IG risk.

We have started a programme of work to ensure compliance with the new General Data Protection Regulation 2016 (GDPR), in readiness for May 2018 when the regulation comes into force. We are also working closely with GP Partnerships that have joined the organisation to align practices and share good practice.



g) Review of Economy, Efficiency and Effectiveness of the Use of Resources

We have a robust governance structure in place ensuring monitoring and control of the effective and efficient use of our resources. Financial monitoring, service performance, quality and workforce information is scrutinised at meetings of the Trust Board, F&PC, TMT and at Divisional Team meetings.

We have achieved all of its statutory financial targets, achieving an end of year surplus of £8.5m, delivering the Capital Programme within its Capital Resource Limit and achieving its External Funding Limit.

We have 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 Trust Board
- Monthly reporting to the Trust Board on key performance indicators covering finance, activity, governance, quality and performance
- Monthly reporting to the F&PC
- Regular reporting at Operational and Divisional meetings on financial performance
- Finance Recovery Board 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 Trust 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.

h) 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 2016-2017 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 our External Auditors before a final version is produced for publication.

i) Operational Performance

The year, 2016-2017 saw a continued increase in operational pressures nationally and this gave rise to increased demand across all key services. In April 2016, Vocare (West Midlands Doctors) commenced their urgent care service in the Urgent Emergency Care Centre. As a result of this some patients are triaged to them from the Emergency Department. We maintain a focus on delivering the national priorities identified within the Operating Framework, alongside the local priorities defined by the commissioner.

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 IQPR is produced monthly; performance is discussed in-depth at the monthly F&PC, 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:

- We failed to maintain compliance with the headline position for RTT measures at Trust level for incomplete pathways. This is partly due to the industrial action that took place early in the year resulting in the cancellation of many outpatient and inpatient procedures. The effect of this impacted on the preceding months, this has also been exacerbated by an increase in referrals.
- The Emergency Department saw similar numbers of attendances as the previous year; however, we did see a rise in ambulance conveyances along with batching of ambulances (significant numbers arriving over a short period of time) during the year. This has had the inevitable detrimental impact on performance. Overall we saw an increase of 3.6% in ambulances which meant 1,633 additional conveyances received during the year. Whilst we did not achieve the A&E standard, we benchmark favourably when compared to the regional and national position. Importantly, there were zero 12hour trolley waits all year.
- Cancer targets remain a high priority and again, there has been increased demand for all areas. Despite this, four of the nine targets maintained the standard in every month and five targets have achieved in every quarter during the year to date. Challenges still exist with certain specialties particularly with a national lack of consultants. Additionally, all regional providers are looking to improve patient pathways in order to ensure tertiary patient referrals are made within agreed timescales.



Emergency Planning & Resilience

Under the Civil Contingencies Act 2004, (CCA) every NHS Organisation has to have Emergency Preparedness, Response and Resilience (EPRR) arrangements in place. The Royal Wolverhampton NHS Trust is classified as a Category 1 responder. As a category 1 responder, we are required to fulfil the relevant legal and contractual EPRR requirements, and ensure a robust and sustainable 24/7 response to emergencies and disruptions.

We are also required to meet the core standards set out by NHS England under the EPRR arrangements 2015 and alignment to the Business Continuity Standard ISO 22301. The core standards cover a range of areas concerned with major incident response and ensuring business continuity plans and emergency preparedness is embedded within the Trust. Locally, we link in with NHS England West Midlands. We are assessed as 'fully compliant' in 2016.

We have reviewed the process of business continuity management, and now have in place a Trust Policy for staff to adhere to, along with a business continuity review process to ensure maintenance of and up-to-date local plans in the event of a business continuity disruption. Staff training on this is further supported by an e-learning package, which is linked to our training database.

We have undertaken our yearly Chemical, Biological, Radiological and Nuclear (CBRN) audit, undertaken by the West Midlands Ambulance Service to ensure its resilience in the event of CBRN incident occurring.

In addition we have undertaken a 3 yearly live exercise – 'Exercise Endurance' in line with the statutory requirements of the CCA 2004, and yearly table top and 6 monthly communication tests.

An Emergency Preparedness Annual Report and plan is produced, identifying the status of our resilience over the last 12 months and identifying objectives for the year. In addition, we have key requirements to meet against CQC as well as meeting the guidance set out in the NHS Operating Framework.

We have 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.

We are an active member and participate 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 & Safety at Work

Since the introduction of the new Health and Safety Strategy in June 2015 a Trust health and safety risk profile has been maintained showing compliance with HSE legislation relevant to us. Work continues to identify gaps and provide action plans to fill these gaps giving us an improved assurance around compliance with HSE Regulations. Estates Facilities are working towards compliance with the Premises Assurance Model (PAM) accreditation system, this is adding to the robustness of assurance around the estates risk profile. Estates Facilities have also successfully achieved accreditation for CHAS (Contractors Health & Safety Assessment Scheme) allowing them to use the logo on their letterheads as approved contractors.

Cannock Chase Hospital became fully aligned to The Royal Wolverhampton NHS Trust Health and Safety processes and compliance with Trust policy. This year has seen the integration of several GP practices across Wolverhampton into the Trust, the challenge now is to ensure these areas also meet policy compliance; this work is underway, with the practices now a part of our annual audit programme.

There has been a 3.4% increase in the number of health and safety incidents when comparing 2016-2017 to 2015-2016. Focus during the year remained on high incident reporting areas; ensuring investigations are undertaken where needed. Emphasis has been placed on sharing lessons identified across the Trust, using various forums to do this including the Safety Representative Forum, the Health and Safety newsletter 'SPOT' and our Risk Newsletter 'Risky Business'.

The top 5 reported health and safety related incidents for the year are:

- Slips, trips & falls (18% decrease)
- Personal Contact Injury (5% decrease)
- Sharps incidents (7.5% increase)
- Manual Handling (14% increase)
- Violence and Aggression (14% increase)

Work continues to be focused on high reporting areas / themes to improve control measures and implement corrective actions.



Social Economic Responsibilities: Modern Slavery and Forced Labour

We are committed to our Social Economic Responsibilities and ensuring that we are a Good Corporate Citizen (GCC). In our procurement practices we stipulate 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 our extended supply chain and implement ethical sourcing programs and supply chain audits to prevent any repetition.

In addition, sourcing staff within the Procurement team access external e-learning which covers Ethical and Sustainable Procurement.

J) Annual Declaration

1. The Royal Wolverhampton NHS Trust is required to register with the CQC and its current registration status is active. The Royal Wolverhampton NHS Trust has no conditions with its continued registration.
The CQC has not taken enforcement action against The Royal Wolverhampton NHS Trust during 2016-2017.
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 the Trust's obligations under equality, diversity, inclusion, human rights and employment legislation are complied with. We strive to deliver safe, accessible and fair services to the diverse population that we serve. We value our greatest asset, our diverse workforce, and strive to create working environments in which everyone is able to reach their full potential and flourish, this in turn will help us deliver truly inclusive services that treat people with respect, care, dignity and compassion and improve the overall patient experience.



4. We have 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. We made our annual self-assessment submission to the Department of Health by the 31st March 2017 on the Information Governance Toolkit. The overall score was 79% and the Trust was graded satisfactory all 45 requirements.

k) Head of Internal Audit Opinion

In accordance with Public Sector Internal Audit Standards, the Head of Internal Audit is required to provide an annual opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of the Trusts risk management, control and governance processes. For the 12 months ending 31 March 2017, the Head of Internal Audit opinion is as follows:

The organisation has an adequate and effective framework for risk management, governance and internal control.

Whilst not significant issues in themselves a small number of specific internal control compliances weaknesses were identified by the Internal Auditor, specifically related to a) recruitment processes, b) E-rostering, c) Emergency department activity information and recording, d) data quality – patient harm free care.

The Audit Committee has sought and gained assurance that management actions to address these weakness have been delivered through the embedded action tracking process within the Trust.

l) 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 Patient-Led Assessments of the Care Environment (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 Trust Board, the Audit Committee, and the QGAC and a plan to address weaknesses and ensure continuous improvement of the system is in place.

m) Conclusion

No significant internal control issues have been identified during 2016-2017.

Accountable Officer: David Loughton CBE

Organisation: The Royal Wolverhampton NHS Trust

Signature:



David Loughton CBE

Date: 1 June 2017

B2 - Remuneration and Staff Report

Staff Report

The following tables summarises the numbers and categories of staff, sickness absence and exit packages made during 2016-2017:

Table 18 Exit Package Cost Banding 2016-2017

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	£s
Less than £10,000	0	0	20	65,199	20	65,199	0	0
£10,000 - £25,000	0	0	1	11,054	1	11,054	0	0
£25,001 - £50,000	0	0	0	0	0	0	0	0
£50,001 - £100,000	0	0	0	0	0	0	0	0
£100,001 - £150,000	0	0	0	0	0	0	0	0
£150,001 - £200,000	0	0	0	0	0	0	0	0
>£200,000	0	0	0	0	0	0	0	0
Total	0	0	21	76,253	21	76,253	0	0

Table 19 Exit Package Cost Banding 2015-2016

Exit package cost band (including any special payment element)	Sub code	*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	£s
Less than £10,000	200	0	0	13	33,613	13	33,613	0	0
£10,001 - £25,000	210	0	0	0	0	0	0	0	0
£25,001 - £50,000	220	0	0	0	0	0	0	0	0
£50,001 - £100,000	230	0	0	0	0	0	0	0	0
£100,001 - £150,000	240	0	0	0	0	0	0	0	0
£150,001 - £200,000	250	0	0	0	0	0	0	0	0
>£200,000	260	0	0	0	0	0	0	0	0
Total	270	0	0	13	33,613	13	33,613	0	0

Table 20 Average Staff Numbers

Average Staff Numbers	2016-17		2015-16	
	Total	Permanently	Other	Total
	YTD	Employed		Prior Year
	Number	Number	Number	Number
Medical and dental	866	757	109	831
Ambulance staff	0	0	0	0
Administration and estates	1,640	617	48	1,606
Healthcare assistants and other support staff	1,585	2,725	208	1,535
Nursing, midwifery and health visiting staff	2,273	2,100	83	2,269
Nursing, midwifery and health visiting learners	0	20	0	0
Scientific, therapeutic and technical staff	1,162	603	15	1,102
Social Care Staff	0	0	0	0
Healthcare Science Staff	0	239	0	0
Other	0	0	0	0
TOTAL	7,525	7,061	463	7,343
Staff engaged on capital projects (included above)	10	10	0	9

Table 21 Staff Sickness Absence

Staff Sickness Absence	2016-17	2015-16
	Number	Number
Total Days Lost (Completion only required at Q4)	72,677	67,387
Total Staff Years (Completion only required at Q4)	7,052	6,872
Average working Days Lost (Completion only required at Q4)	10	10
Number of persons retired early on ill health grounds (Completion only required at Q4)	7	8
Total additional pensions liabilities accrued in the year (£000s) (Completion only required at Q4)	295	215

During 2016/17 we spent £1.3m on consultancy services (2015/16 £0.4m). The Trust employed 8 senior managers during the year ending 31 March 2017.

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 our Executive and Non-Executive Directors during the financial year ended 31 March 2017 is set out in the attached schedules.

Signature:



David Loughton CBE

Date: 1 June 2017

Salary and Pension Entitlements of Senior Managers Remuneration

Name and Title	2016-17					2015-16				
	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	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) £000	Rounded to the nearest £100	(bands of £2,500)	(bands of £5,000)
Executive Directors										
D Loughton - Chief Executive	245-250	0	0	30-32.5	275-280	245-250	0	0	15-17.5	260-265
J Odum* - Medical Director	150-155	70-75*	0	80-82.5	305-310	140-145	70-75*	0	5-7.5	220-225
G Nuttall - Chief Operating Officer	145-150	0	0	157.5-160	305-310	130-135	0	0	42.5-45	170-175
K Stringer - Chief Financial Officer	150-155	0	0	7.5-10	160-165	150-155	0	0	150-152.5	300-305
C Etches - Chief Nursing Officer	145-150	0	0	20-22.5	165-170	145-150	0	0	157.5-160	305-310
Non-Executive Directors										
J Vanes - Chairman	35-40	0	0	0	35-40	35-40	0	0	0	35-40
S Rawlings - Non-Executive Director	5-10	0	0	0	5-10	5-10	0	0	0	5-10
D Edwards - Non-Executive Director	5-10	0	0	0	5-10	5-10	0	0	0	5-10
J Anderson - Non-Executive Director	5-10	0	0	0	5-10	5-10	0	0	0	5-10
M Martin - Non-Executive Director	5-10	0	0	0	5-10	5-10	0	0	0	5-10
R Dunshea - Non-Executive Director	5-10	0	0	0	5-10	5-10	0	0	0	5-10
J Hemans - Non-Executive Director (from 25/05/2015)	5-10	0	0	0	5-10	5-10	0	0	0	5-10
J Parkes - Non-Executive Director (from 01/07/2015 to 30/06/2016)	0-5	0	0	0	0-5	0-5	0	0	0	0-5
R Stockley - Non Executive Director (from 01/04/2016)	5-10	0	0	0	5-10	0	0	0	0	0
J Darby - Non Executive Director (from 01/03/2017)	0-5	0	0	0	0-5	0	0	0	0	0
Directors - Non Voting										
S Mahmud** - Integration Director	115-120	0	0	0	115-120	115-120	0	0	0	115-120
M Espley - Director of Planning and Contracting (to 27/09/2015)	0	0	0	0	0	65-70	0	0	0	65-70
M Sharon - Director of Planning and Contracting (from 01/01/2016)	135-140	0	0	200-202.5	335-340	30-35	0	0	0	30-35
A Adimora** - Director of Human Resources - (from 10/11/2014 to 27/10/2015)	0	0	0	0	0	75-80	0	0	0	75-80
L Holland*** - Interim Director of Human Resources (from 01/07/2016 to 31/03/2017)	90-95	0	0	57.5-60	150-155	0	0	0	0	0
L Holland**** - Acting Director of Human Resources (from 01/09/15 to 30/06/16)	40-45	0	0	0	40-45	90-95	0	0	0	90-95

Name and Title	2016-17					2015-16				
	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	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) £000	Rounded to the nearest £100	(bands of £2,500)	(bands of £5,000)
Non-Executive Directors										
J Vanes - Chairman	35-40	0	0	0	35-40	35-40	0	0	0	35-40
S Rawlings - Non-Executive Director	5-10	0	0	0	5-10	5-10	0	0	0	5-10
D Edwards - Non-Executive Director	5-10	0	0	0	5-10	5-10	0	0	0	5-10
J Anderson - Non-Executive Director	5-10	0	0	0	5-10	5-10	0	0	0	5-10
M Martin - Non-Executive Director	5-10	0	0	0	5-10	5-10	0	0	0	5-10
R Dunshea - Non-Executive Director	5-10	0	0	0	5-10	5-10	0	0	0	5-10
J Hemans - Non-Executive Director (from 25/05/2015)	5-10	0	0	0	5-10	5-10	0	0	0	5-10
J Parkes - Non-Executive Director (from 01/07/2015 to 30/06/2016)	0-5	0	0	0	0-5	0-5	0	0	0	0-5
R Stockley - Non Executive Director (from 01/04/2016)	5-10	0	0	0	5-10	0	0	0	0	0
J Darby - Non Executive Director (from 01/03/2017)	0-5	0	0	0	0-5	0	0	0	0	0
Directors - Non Voting										
S Mahmud** - Integration Director	115-120	0	0	0	115-120	115-120	0	0	0	115-120
M Espley - Director of Planning and Contracting (to 27/09/2015)	0	0	0	0	0	65-70	0	0	0	65-70
M Sharon - Director of Planning and Contracting (from 01/01/2016)	135-140	0	0	200-202.5	335-340	30-35	0	0	0	30-35
A Adimora** - Director of Human Resources - (from 10/11/2014 to 27/10/2015)	0	0	0	0	0	75-80	0	0	0	75-80
L Holland*** - Interim Director of Human Resources (from 01/07/2016 to 31/03/2017)	90-95	0	0	57.5-60	150-155	0	0	0	0	0
L Holland**** - Acting Director of Human Resources (from 01/09/15 to 30/06/16)	40-45	0	0	0	40-45	90-95	0	0	0	90-95

Name and Title	2016-17					2015-16				
	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	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) £000	Rounded to the nearest £100	(bands of £2,500)	(bands of £5,000)
Directors - Non Voting										
S Mahmud** - Integration Director	115-120	0	0	0	115-120	115-120	0	0	0	115-120
M Espley - Director of Planning and Contracting (to 27/09/2015)	0	0	0	0	0	65-70	0	0	0	65-70
M Sharon - Director of Planning and Contracting (from 01/01/2016)	135-140	0	0	200-202.5	335-340	30-35	0	0	0	30-35
A Adimora** - Director of Human Resources - (from 10/11/2014 to 27/10/2015)	0	0	0	0	0	75-80	0	0	0	75-80
L Holland*** - Interim Director of Human Resources (from 01/07/2016 to 31/03/2017)	90-95	0	0	57.5-60	150-155	0	0	0	0	0
L Holland**** - Acting Director of Human Resources (from 01/09/15 to 30/06/16)	40-45	0	0	0	40-45	90-95	0	0	0	90-95

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 was only employed by the Trust in year therefore comparatives are not available
- **** This Acting Director was paid via the Consultancy Company of which they are a Director.

Total remuneration for senior managers in year ended 31 March 2017 was £1,353,624 0.25% of income (31 March 2016 £1,284,601, 0.25% 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 major activities within the group 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.

Pension Benefits

Name and title	Real increase in pension at pension age (bands of £2500)	Real increase in pension lump sum at pension age (bands of £2500)	Total accrued pension at pension age at 31 March 2017 (bands of £5000)	Lump sum at pension age related to accrued pension at 31 March 2017 (bands of £5000)	Cash Equivalent Transfer Value at 31 March 2016 £000	Real Increase in Cash Equivalent Transfer Value £000	Cash Equivalent Transfer Value at 31 March 2017 £000	Employer's Contribution to Stakeholder Pension £000
D Loughton* - Chief Executive	2.5-5	7.5-10	75-80	230-235	0*	0*	0*	0
J Odum - Medical Director	2.5-5	12.5-15	50-55	155-160	952	117	1,069	0
K Stringer - Chief Financial Officer	0-2.5	2.5-5	60-65	180-185	1,111	79	1,190	0
C Etches - Chief Nursing Officer	0-2.5	5-7.5	60-65	185-190	1,259	78	1,337	0
G Nuttall** - Chief Operating Officer	7.5-10	22.5-25	50-55	145-150	763	149	912	0
M Sharon - Director of Planning and Contracting	7.5-10	27.5-30	50-55	160-165	949	242	1,191	0
L Holland *** - Acting Director of Human Resources	2.5-5	5-7.5	0-5	5-10	0	57	57	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 was only employed by the Trust in year therefore comparatives are not available

**** Relates to Directors that opted out of the Pension scheme and their prior years benefit was also, withdrawn.

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

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

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

Fair Pay Disclosure

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 mid-point banded remuneration of the highest paid director in the Trust in the financial year 2016-2017 was £247.5k (2015-16, £247.5k). This was 11.0 times (2015-16, 10.7) the median remuneration of the workforce which was £22.5k (2015-16 £23.0k).

In 2016-2017, no employees (2015-16, 2 employees) received remuneration in excess of the highest-paid director.

In 2016-2017 remuneration paid to employees ranged from £6k to £247.5k [mid-point banded] (2015-16 £15k - £247.5k [mid-point banded]). The change in the salary range is due to the Trust offering Apprenticeships, in line with national objectives; these are an excellent opportunity to earn, gain work experience and achieve nationally recognised qualifications at the same time.

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

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. 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 2016/17 of 1% and where applicable, employees have continued to make incremental progression within existing pay scales.

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. For all off payroll engagements for the year ended 31 March 2017, costing more than £220 per day and lasting longer than six months.

	Number
Number of existing engagements as of 31 March 2017	14
Of which, the number that have existed:-	
for less than one year at the time of reporting	2
for between one and two years at the time of reporting	6
for between two and three years at the time of reporting	2
for between three and four years at the time of reporting	1
for four years or more at the time of reporting	3

	Number
Number of new engagement that reached six months in duration, between 1 April 2016 and 31 March 2017 but had completed the engagement by 31 March 2017	11

	Number
Number of off payroll engagements of Board Members, and/or senior officers with significant financial responsibility, between 1 April 2016 and 31 March 2017	1 (HR Director from April 2016 to June 2016 inclusive)
Total number of individuals on payroll and off payroll that have been deemed senior officials with significant financial responsibility, between 1 April 2016 and 31 March 2017	8

C - Financial Statement

Forward 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 2017. 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 2016/17 Department of Health Group Accounting Manual (GAM). From 2009/10 the GAM 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 2016/17 it achieved this, spending £4,626,000 (against a target of £4,638,000).

- 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.

Table 22 Financial Target Performance

All four targets were achieved, as indicated below:

	Target	Actual	Achieved
Income & Expenditure Break-even (£'000)	0	8,542	✓
Capital Cost Absorption Rate (%)	3.5%	3.5%	✓
External Financing Limit £'000	4,638	4,626	✓
Capital Resource Limit £'000	22,809	22,263	✓

Table 23 The Income and Expenditure position for each of the last five years:

	2012/13 £000s	2013/14 £000s	2014/15 £000s	2015/2016 £000s	2016/2017 £000s
Turnover	384,917	394,045	461,810	509,405	536,028
Break-even in Year Position	8,688	7,891	3,663	153	8,542
Break-even Cumulative Position	26,546	34,437	38,100	38,253	46,795

Cumulative Position

Table 23 shows that the Trust achieved its statutory break-even duty in 2016/17. In 2016/17 the Trust achieved a surplus for the 11th consecutive year. This surplus amounted to £8,542k 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 24.

Table 24 Better Payment Practice Code Summary

	2016/17		2015/16	
	Number	£'000	Number	£'000
Total Invoices Paid in Year	120,516	315,185	112,917	268,260
Total Invoices Paid Within Target	98,263	275,540	97,576	234,770
Percentage of Invoices Paid Within Target	81.54%	87.42%	86.41%	87.52%

Prompt Payment Code

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

Staff Sickness Absence

The following table provides details of the Trusts Sickness Absence:

Table 25 Staff Sickness Absence

Staff Sickness Absence	2016-17 Number	2015-16 Number
Total Days Lost (Completion only required at Q4)	72,677	67,387
Total Staff Years (Completion only required at Q4)	7,052	6,872
Average working Days Lost (Completion only required at Q4)	10	10
Number of persons retired early on ill health grounds (Completion only required at Q4)	7	8
Total additional pensions liabilities accrued in the year (£000s) (Completion only required at Q4)	295	215

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 Department of Health Group Accounting Manual. 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.

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. The total charge for audit work undertaken in 2016/17 was £62k excluding VAT (2015/16 £67k). Other auditors remuneration in 2016/17 was £11k (2015/16 £12k) 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%.

Table 26 Statement of Comprehensive Income for the Year Ended 31 March 2017

	2016-17 £000s	2015-16 £000s
Gross employee benefits	(317,441)	(301,356)
Other operating costs	(220,810)	(197,038)
Revenue from patient care activities	442,957	428,983
Other operating revenue	93,071	80,422
Operating surplus/(deficit)	(2,223)	11,011
Investment revenue	39	99
Other gains and (losses)	44	41
Finance costs	(1,615)	(1,667)
Surplus/(deficit) for the financial year	(3,755)	9,484
Public dividend capital dividends payable	(9,467)	(12,298)
Net Gain/(loss) on transfers by absorption	0	0
Retained surplus/(deficit) for the year	(13,222)	(2,814)

Table 27 Other Comprehensive Income for the Year Ended 31 March 2017

	2016-17 £000s	2015-16 £000s
Net gain/(loss) on revaluation of property, plant & equipment	(74,234)*	(6,556)
Total comprehensive income for the year	(87,456)	(9,370)

Table 28 Financial Performance for the Year

	2016-17	2015-16
Retained surplus/(deficit) for the year	(13,222)	(2,814)
Impairments (excluding IFRIC 12 impairments)	22,547	3,101
Adjustments in respect of donated gov't grant asset reserve elimination	(783)	(134)
Adjusted retained surplus/(deficit)	8,542	153

* The net loss shown in Other Comprehensive Income represents a change in the value of Property Plant and Equipment (PPE) following revaluation by a professional valuer.

Table 29 Statement of Financial Position as at 31 March 2017

	31 March 2017	31 March 2016
	£000s	£000s
Non-current assets:		
Property, plant and equipment	306,710	395,710
Intangible assets	979	813
Trade and other receivables	624	826
Total non-current assets	308,313	397,349
Current assets:		
Inventories	6,337	6,981
Trade and other receivables	33,157	22,524
Cash and cash equivalents	14,180	16,927
Sub-total current assets	53,674	46,432
Non-current assets held for sale	800	800
Total current assets	54,474	47,232
Total assets	362,787	444,581
Current liabilities		
Trade and other payables	(52,211)	(51,457)
Provisions	(5,463)	(3,254)
Borrowings	(2,123)	(1,912)
Total current liabilities	(59,797)	(56,623)
Net current assets/(liabilities)	(5,323)	(9,391)
Total assets less current liabilities	302,990	387,958
Non-current liabilities		
Trade and other payables	0	0
Other liabilities	0	0
Provisions	(594)	(631)
Borrowings	(6,037)	(5,343)
Total non-current liabilities	(6,631)	(5,974)
Total assets employed:	296,359	381,984
FINANCED BY:		
Public Dividend Capital	231,398	229,568
Retained earnings	14,314	26,906
Revaluation reserve	50,457	125,320
Other reserves	190	190
Total Taxpayers' Equity:	296,359	381,984

The financial statements were approved by the Board on 26 May 2017 and signed on its behalf by:

Signature:



David Loughton CBE, Chief Executive: Date: 1 June 2017

Table 30 Statement of Changes in Taxpayers' Equity For the year ending 31 March 2017

	Public Dividend capital	Retained earnings	Revaluation reserve	Other reserves	Total reserves
	£000s	£000s	£000s	£000s	£000s
Balance at 1 April 2016	229,568	26,906	125,320	190	381,984
Changes in taxpayers' equity for 2016-17					
Retained surplus/(deficit) for the year		(13,222)			(13,222)
Net gain / (loss) on revaluation of property, plant, equipment			(74,234)		(74,234)
Transfers between reserves		629	(629)	0	0
Reclassification Adjustments					
Temporary and permanent PDC received - cash	1,830				1,830
Other movements	0	1	0	0	1
Net recognised revenue/(expense) for the year	1,830	(12,592)	(74,863)	0	(85,625)
Balance at 31 March 2017	231,398	14,314	50,457	190	296,359
Balance at 1 April 2015	225,252	28,550	133,042	190	387,034
Changes in taxpayers' equity for the year ended 31 March 2016					
Retained surplus/(deficit) 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
Reclassification Adjustments					
New PDC received - cash	6,816				6,816
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

Information on Reserves

Public Dividend Capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities. Additional PDC may also be issued to NHS trusts by the Department of Health. A charge, reflecting the cost of capital utilised by the NHS trust, is payable to the Department of Health as the public dividend capital dividend.

Retained Earnings

The balance of this reserve is the accumulated surpluses and deficits of the NHS Trust.

Revaluation Reserve

Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse impairments previously recognised in operating expenses, in which case they are recognised in operating income. Subsequent downward movements in asset valuations are charged to the revaluation reserve to the extent that a previous gain was recognised unless the downward movement represents a clear consumption of economic benefit or a reduction in service potential.

Other Reserves

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

Table 31 Statement of Cash Flow for the Year Ended 31 March 2017

	2016-17 £000s	2015-16 £000s
Cash Flows from Operating Activities		
Operating surplus/(deficit)	(2,223)	11,011
Depreciation and amortisation	14,855	15,913
Impairments and reversals	22,547	3,101
Release of PFI/deferred credit	(124)	(785)
(Increase)/Decrease in Inventories	644	(690)
(Increase)/Decrease in Trade and Other Receivables	(7,085)	(442)
(Increase)/Decrease in Other Current Assets	0	0
Increase/(Decrease) in Trade and Other Payables	(1,972)	2,851
(Increase)/Decrease in Other Current Liabilities	0	0
Provisions utilised	(2,123)	(2,227)
Increase/(Decrease) in movement in non-cash provisions	4,293	(366)
Net Cash Inflow/(Outflow) from Operating Activities	28,812	28,366
Cash Flows from Investing Activities		
Interest Received	39	99
(Payments) for Property, Plant and Equipment	(17,167)	(41,049)
(Payments) for Intangible Assets	(1)	0
Proceeds of disposal of assets held for sale (PPE)	52	67
Net Cash Inflow/(Outflow) from Investing Activities	(17,077)	(40,883)
Net Cash Inform / (outflow) before Financing	11,735	(12,517)
Cash Flows from Financing Activities		
Gross Temporary and Permanent PDC Received	1,830	6,816
Gross Temporary and Permanent PDC Repaid	0	(2,500)
Capital Element of Payments in Respect of Finance Leases and On-SoFP PFI and LIFT	(1,887)	(1,887)
Interest paid	(1,613)	(1,657)
PDC Dividend (paid)/refunded	(12,812)	(12,926)
Capital grants and other capital receipts (excluding donated / government granted cash receipts)	0	0
Net Cash Inflow/(Outflow) from Financing Activities	(14,482)	(12,154)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(2,747)	(24,671)
Cash and Cash Equivalents (and Bank Overdraft) at Beginning of the Period	16,927	41,598
Effect of exchange rate changes in the balance of cash held in foreign currencies	0	0
Cash and Cash Equivalents (and Bank Overdraft) at year end	14,180	16,927



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
- 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.

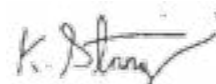
To the best of my knowledge and belief, I have properly discharged the responsibilities set out in my letter of appointment as an Accountable Officer.

Signature:



David Loughton, CBE
Chief Executive
Date: 1 June 2017

Signature:



Kevin Stringer
Chief Financial Officer
Date: 1 June 2017

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

Signature:



David Loughton, CBE
Chief Executive
Date: 1 June 2017

Signature:



Kevin Stringer
Chief Financial Officer
Date: 1 June 2017

English

If you need information in another way like easy read or a different language please let us know.

If you need an interpreter or assistance please let us know.

Lithuanian

Jeigu norėtumėte, kad informacija jums būtų pateikta kitu būdu, pavyzdžiui, supaprastinta forma ar kita kalba, prašome mums apie tai pranešti.

Jeigu jums reikia vertėjo ar kitos pagalbos, prašome mums apie tai pranešti.

Polish

Jeżeli chcieliby Państwo otrzymać te informacje w innej postaci, na przykład w wersji łatwej do czytania lub w innym języku, prosimy powiedzieć nam o tym.

Prosimy poinformować nas również, jeżeli potrzebowaliby Państwo usługi tłumaczenia ustnego lub innej pomocy.

Punjabi

ਜੇ ਤੁਹਾਨੂੰ ਇਹ ਜਾਣਕਾਰੀ ਕਿਸੇ ਹੋਰ ਰੂਪ ਵਿਚ, ਜਿਵੇਂ ਪੜ੍ਹਨ ਵਿਚ ਆਸਾਨ ਰੂਪ ਜਾਂ ਕਿਸੇ ਦੂਜੀ ਭਾਸ਼ਾ ਵਿਚ, ਚਾਹੀਦੀ ਹੈ ਤਾਂ ਕਿਰਪਾ ਕਰਕੇ ਸਾਨੂੰ ਦੱਸੋ।

ਜੇ ਤੁਹਾਨੂੰ ਦੁਆਰੀਏ ਦੀ ਜਾਂ ਸਹਾਇਤਾ ਦੀ ਲੋੜ ਹੈ ਤਾਂ ਕਿਰਪਾ ਕਰਕੇ ਸਾਨੂੰ ਦੱਸੋ।

Romanian

Dacă aveți nevoie de informații în alt format, ca de exemplu caractere ușor de citit sau altă limbă, vă rugăm să ne informați.

Dacă aveți nevoie de un interpret sau de asistență, vă rugăm să ne informați.

Traditional Chinese

如果您需要以其他方式了解信息，如易读或其他语种，请告诉我们。

如果您需要口译人员或帮助，请告诉我们。