



AGENDA

**for a meeting of the Board of Directors of Heart of England NHS Foundation Trust
to be held in the Boardroom Devon House, Heartlands Hospital
on 28 May 2012 at 11.00am**

1. APOLOGIES

**2. APPROVE ANNUAL REPORT & ACCOUNTS 2011/12
and Related Documents
INCLUDING QUALITY ACCOUNT**

(Enclosure)

- 2.1 Annual Report
- 2.2 Annual Accounts
- 2.3 Auditors Opinions*3
- 2.4 Quality Account
- 2.5 Representation Letter

3. APPROVE MONITOR ANNUAL PLAN 2012/13

(Enclosure)

Malcolm Pye
Company Secretary
21 May 2012

Introduction

The Annual Report and Annual Accounts are presented to the Audit Committee for review and recommendation for approval to Trust Board. They are still currently presented as 2 documents.

Annual Report Progress so Far

The first draft of the Annual Report was presented to Audit Committee on 25 April 2012. At this point the Annual Report was almost completed with only a few sections to be updated. After this Committee the Annual Report was sent to all Board members for review and comment. The report has also gone through a rigorous proof reading process in the Communications department to ensure consistency of formatting and amendments have been reviewed by PwC to check compliance with the Monitor Annual Reporting Manual (ARM).

Significant changes made between versions

The changes outlined below show the significant changes that have been made between the version reviewed at the April Audit Committee and the version prepared for this Committee are set out below;

1. Chairman's report
 - Changed to be the first report presented, ahead of Chief Executive's Report
 - Inclusion of paragraph on fundraising and volunteering
 - Inclusion of attendance numbers and details of CQC visits.
2. The Board section
 - Inclusion of details on all of all committees of the board
 - Paragraph on executive team
3. Operating and Financial Review
 - Section on the Future which describes Reshaping HEFT, Social Care Act impact on the Trust and working with other stakeholder organisations
 - Inclusion of Heartlands site report
 - Update of statistics for Good Hope site to be full year numbers
 - Inclusion of Chest Clinic site report
 - More information on engagement in annual staff survey section
 - In finance section inclusion of details of community services impact on income
 - Report on Monitor's risk rating – changed format to remove table and explain quarterly performance in words.
4. Governance
 - Annual Governance Statement change in wording to reflect not meeting 62 day wait cancer target in quarter 4.

5. Quality Report

- Stakeholder Statements received
- Additional wording on 62 day cancer wait target
- Other changes based on feedback.

This report has been issued to PwC for final audit review and any remaining changes required will be highlighted at Audit Committee.

Annual Accounts Process

The first draft of the Annual Accounts was presented to Audit Committee on 25 April 2012 based on the draft submission made to Monitor. These accounts have been subject to three weeks of PwC audit and they have checked both the numbers and the disclosures to ensure compliance with Monitor's ARM and all relevant accounting standards and legislation. Throughout the audit a number of adjustments have been suggested by PwC and accepted. These have mostly been moving items around balance sheet categories and have not changed the overall financial position. As with the Annual report, these accounts have been issued to PwC for final audit review and any remaining audit changes required will be highlighted to Audit Committee.

Approval of Report

The Audit Committee is requested to recommend the Annual Report and Annual Accounts for onward submission to the Board or identify where amendments are required.

Adrian Stokes
28 May 2011



Heart of England
NHS Foundation Trust

Annual Report
and Accounts
2011/12



Heart of England NHS Foundation Trust

Annual Report and Accounts 2011/12

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

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Directors' Reports

Chairman's Report

Challenges and Opportunities



This has been my first year as Chairman and it has been an exciting one, full of challenges and opportunities. Throughout the year I have spent time meeting with staff and with key stakeholders, patients and members of the public to listen to their views and reflect these back to the Board and the executive team. Along with my non executive colleagues, I have taken part in safety visits across the Trust where I have had an opportunity to discuss with frontline staff the changes and developments being made to improve the care for our patients. The focus on safety and patient experience cannot be underestimated and I know that the Board is fully behind this agenda and will continue to drive this forward. I was especially pleased this year to be working alongside a highly dedicated and enthusiastic group of governors. Publically elected and supported by representatives from key stakeholders, these truly represent the patients and public we serve and their expertise will continue to prove invaluable as we develop our services.

Over the past 12 months we have delivered many new developments, which I have seen our dedicated staff embrace with energy and enthusiasm. We have focused on quality standards and as a result have seen an improvement in patient experience results as well as nursing standards. Our finances continue on a firm and even keel and this is important as it means that we have the resources to continue to invest in our buildings, equipment and our staff. The final result of an operating surplus of £6.7 million means that we will not only be able to continue to invest in important routine work such as replacing existing equipment and refurbishing wards but also be able to ensure that we can invest in service developments, our estate and new equipment.

During the year 165,395 people attended our accident and emergency (A&E) departments (239,208 attendances) and 236,502 people attended outpatients (801,262 attendances). These are phenomenal numbers of people, the majority of them coming from our local communities. We have focused throughout the year on listening to their views and actively encouraged them to come forward with issues and concerns. This has enabled us to take action and where appropriate change services so that we can continue to improve the standard of care we deliver. Strong performance across all areas of the Trust is vital and I am especially proud that for the first time we have achieved the 4 hour access target in all four quarters of the year. This is an important safety measure and means that over 95% of patients attending A&E were seen, treated and discharged or admitted to a ward within four hours.

We are focused on all safety measures including driving down infection rates, improving waiting times and reducing all errors. It was disappointing that we just missed the MRSA¹

¹ MRSA (methicillin-resistant staphylococcus aureus) causes an infection that is resistant to several common antibiotics. Infection control is key to stopping MRSA in hospitals.

target by one, with 8 against a target of just 7. These are very small numbers which include two contaminants (the patients did not have MRSA in their bloodstreams but it had somehow been picked up in the samples, possibly from their skin). However, compared to the previous year this is an overall reduction. Our open approach to discussing issues widely and encouraging staff to report safety issues is key to improving safety for our patients and this is an approach which we will be continuing to champion over the coming year. Safety and quality remain our top priorities and it is on this principle that we will be making any financial investments and changes.

During the year the Care Quality Commission (CQC) visited our sites on three occasions to review various outcomes: care and welfare of people who use services; records management and medicines management. Following an inspection in August 2011, the CQC identified compliance issues with Outcome 9: medicines management. A full action plan was developed and all actions have now been completed. We welcome and value these visits and inspections as they provide independent views and reassurance.

I have been supported throughout the year by six experienced non-executive colleagues. In January 2012 David Bucknall stepped down as a non-executive director as his term came to an end and Richard Samuda left to take up the post of Chairman of Sandwell and West Birmingham Hospitals NHS Trust. Both David and Richard have provided invaluable support, assisting and challenging the Trust's strategy, direction and performance. We wish them well.

At the end of the year the governors appointed three new non-executive directors: Laura Serrant-Green, Director of Research and Enterprise and Professor of Community and Public Health Nursing at the School of Wellbeing at the University of Wolverhampton; Les Lawrence, former Cabinet Member for Children, Young People and Family at Birmingham City Council; and Edward Peck, Pro-Vice Chancellor and Head of the College of Social Science at the University of Birmingham. These are outstanding appointments and will ensure that the Board continues to provide a high level of scrutiny and strategic input as we focus on delivering quality services in what is a very dynamic environment.

Fundraising continues to be a focus for the Trust as a way of supporting core business by providing additional funds to improve services and patient experience. I am delighted to report that donations have been increasing at a time when many charities are suffering declining income. The volunteering service has restructured during the year and there are now 750 volunteers playing a key part in service delivery with roles as diverse as directing patients and visitors, feeding patients, providing support to patients with long-term conditions and assisting the dementia team with social intervention for confused patients.

I want to thank all of the staff for the welcome I have received as Chairman and their openness in sharing their views and aspirations for the Trust. I continue to be impressed by the levels of commitment and dedication shown at every level of the organisation. I know that we have a great deal to achieve but firmly believe we have the best people, have set the right direction and have the right guiding principles of quality and safety.

The Rt Hon Lord Philip Hunt of Kings Heath, OBE
Chairman
29 May 2012

Chief Executive's Report

Building a Patient-Focused, Open Organisation



This is the second time I will be signing off the Annual Report on behalf of the Trust. As I reflect on the year's activity and progress we have made, many of the plans we set ourselves at the start of the year are now underway and are delivering improvements in care standards and outcomes for our patients. It has been a year where we have made great strides and much progress towards creating a more open organisation, where we actively encourage patient involvement and use the experience of patients and members of the public to improve our services. We are actively encouraging our patients to talk to us through national opinion websites as well as directly through social media such as Twitter. Our Freedom of Information responses are all put online and we are publishing more and more data to ensure that the communities we serve are better informed about the services we provide.

We continue to operate in a dynamic environment which enables us to build new partnerships and work in new ways with our NHS colleagues. I am particularly proud of the work we have started in Solihull to build a truly integrated healthcare system. Here we share decision making across the health economy at a Partnership Board with the aim of delivering seamless, improved care for our local population. The work with our commissioners across Birmingham has resulted in a new joint arrangement which encompasses a shared vision for improving health outcomes and the health and wellbeing of local people. We also have a new style of contract which means we will now work across the health economy and focus much more on keeping people well and out of hospital, with the incentive of developing new pathways for patients that provide better outcomes and enhance the patient experience.

The agenda set last year, with the delivery of safe, caring and locally engaged services as top priorities, continues to be widely supported by staff, patients and local people. This remains our focus for investment and development. Our clinical teams are designing services that improve patient outcomes not just whilst someone is in hospital but also as they recover in the community. This approach will ensure that we improve our population's long term health.

Our organisational structure has continued to develop as we recognise the importance of delivering local services. During the year, we started the journey to move from five clinical groups to dedicated site-based leadership on each of our three hospital sites. Heartlands, Good Hope and Solihull Hospitals now have their own dedicated senior management teams which include a lead clinician and head nurse. These are supported by two clinical divisions, Clinical Services and the Women's and Children's Division, as well as strong corporate, facilities and estates services. I am delighted that during the year we were joined by Susan Moore, from Southampton University Hospitals NHS Trust, as Managing Director for Good Hope Hospital, and Claire Molloy, from Solihull NHS Care Trust, as Managing Director of Solihull Healthcare (Solihull Hospital and Community Services). With Adrian Stokes (Deputy Chief Executive and Finance Director) overseeing Heartlands Hospital, we have developed strong site leadership to ensure that services develop with a local flavour to best meet the needs of their communities.

This site-based approach continues our theme of bringing decisions closer to those delivering direct patient care. Our directorates, headed by our clinical directors, continue to be the foundation of our organisation and they are key to ensuring clinical input from ward to Board. Nursing continues to lead the way with many initiatives being taken up nationally. The launch of the VITAL² training scheme for all nurses, the introduction of the nursing badge as a mark of those who not only meet the highest standards but also live the caring values, along with having a senior independent head nurse, who sits outside the management structure for each hospital, is driving up care standards across the Trust. There is much still to do and we need to remain focused if we are to deliver against what is a very demanding agenda.

Our strong financial management means that we are able to continue with an ambitious three-year development project to invest in our services and our estate. The new year will see the work in A&E and theatres at Good Hope completed and is likely to see the redevelopment of Ward 7, a new restaurant and staff room, and investments in the acute medical unit (AMU) and day surgery. At Heartlands our plans include investing in facilities for maternity and neonatal services, intensive care and a state of the art hybrid theatre as well as endoscopy, decontamination, day surgery and refurbishment of outpatients and oncology. An extension to the pathology block and upgrading of the service will be completed in 2013. At Solihull improvements for the main entrance are planned and investment is proposed for an elective surgery centre and specialty hubs, initially focused on dermatology and ophthalmology.

The important work we started in the year developing our Faculty of Education to lead on the development of training for all staff groups will continue. This has already proved instrumental in supporting the focus on basic nursing care standards and will enable us to develop the skills of all of our staff, helping us to attract and also retain the very best people.

We are continuing to invest in research. Our exceptional MIDRU facility has been strengthened with the appointment of Professor Don Milligan as Director of Research and Development to lead and develop the Healthcare Research Institute so that more of our patients have the chance to take part in the latest trials. This unique institute will be hospital-based but linked to all of our partner universities. Through this partnership we plan to take the highly innovative step of recruiting public health experts, to help drive our broader focus on health and wellbeing within our communities.

The much debated Government Bill has now been passed and it is up to us to work across the health economy to make the changes work for our patients. I remain immensely impressed by the commitment of our staff at all levels. Their dedication and appetite for change is both impressive and inspiring. Our journey to deliver a new kind of healthcare has started. There is much to achieve. I believe that we have the people, the skills and the ambition to make significant improvements for our local populations. I would like to take this opportunity to thank our staff for their hard work and commitment, we have achieved much. I remain proud to lead this organisation and I am confident that by continuing to work with our governors, who provide invaluable challenge and support, our members and our local population, our ambition to deliver safe, quality, locally accountable and efficient healthcare will be achieved.

Dr Mark Newbold
Chief Executive
29 May 2012

² VITAL – an e-learning tool developed in-house for nurses and midwives and soon to be extended to other staff.

The Board

In addition to the Chairman, there are seven executive board directors and seven non-executive directors, although there has been one vacancy all year, which has now been filled. The directors do not have material interests in organisations where those organisations or related parties are likely to do business or are possibly seeking to do business with Heart of England NHS Foundation Trust. Non-executive directors are appointed for three or four years and appointments are terminable upon one month's notice on either side. Further details of the directors, their remuneration and how they operate are disclosed in the Remuneration Report on page 117.

The Board has responsibility for the overall management and performance of the Trust and the approval of its long term objectives and strategy. Whilst the Board delegates day-to-day management to the Chief Executive, there is a formal schedule of matters reserved for the Board, an updated version of which was adopted by the Board on 6 March 2012. This schedule is available on the Trust's website and provides a framework for the Board to oversee the Trust's affairs.

The Board now meets in formal public session six times each year and, additionally, ad hoc as necessary. The Board of Directors is given accurate, timely and clear information so that it can maintain full and effective control over strategic, financial, operational, compliance and governance issues. The directors have a range of skills and experience and each brings independent judgement and considerable knowledge to the Board's discussions and determinations. This range of skills and experience ensures balance, completeness and appropriateness to the requirements of the Trust. The attendance of directors at Board and certain committee meetings is set out on page 115.

Board committees include the Nominations Committee, Audit Committee, Governance and Risk Committee, Donated Funds Committee, Stakeholder and Community Engagement Committee, Finance and Performance Committee, Human Resources Strategy Committee, Information Management and Technology Committee and Remuneration Committee. Their terms of reference are available for inspection at the Trust's offices. Reports on the work of the Nominations, Remuneration and Audit Committees can be found in the Governance section of this report, starting on page 115. The work of the Finance and Performance Committee is explained in the Finance Review starting on page 52.

Board of Directors

The directors serving on the board during the year were:

Lord Philip Hunt – Chairman \ ‡ •

Dr Mark Newbold – Chief Executive •

Dr Aresh Anwar – Medical Director

Mr David Bucknall – Non-Executive Director (resigned 7 January 2012) \ ‡ ‡

Mrs Mandy Coalter – Director of Human Resources and Organisational Development
(maternity leave from July 2011)

Mrs Anna East – Non-Executive Director and Deputy Chair \ ‡ ‡ •

Mr Simon Hackwell – Commercial and Strategy Director (appointed 1 May 2011)

Ms Najma Hafeez – Non-Executive Director \ ‡

Mr Richard Harris – Non-Executive Director \ ‡ ‡

Mr Paul Hensel – Non-Executive Director \ ‡ ‡

Mr Les Lawrence – Non-Executive Director (appointed 1 April 2012) \ ‡

Professor Edward Peck – Non-Executive Director (appointed 1 April 2012) \ ‡

Mr Richard Samuda – Non-Executive Director (resigned 9 April 2012) \ ‡ ‡

Professor Laura Serrant-Green – Non-Executive Director (appointed 1 April 2012) \ ‡

Mr Adrian Stokes – Director of Finance, Deputy Chief Executive

Ms Mandie Sunderland – Chief Nurse

Dr Sarah Woolley – Director of Safety and Governance

\ Independent ‡ Audit Committee ‡ Remuneration Committee
• Nominations Committee

Board Members' Profiles

Lord Philip Hunt, Chairman

Lord Philip Hunt was educated at the City of Oxford High School and Oxford School and left Leeds University in 1970 with a BA in Political Studies. He became a works study officer in 1972 for Oxford Regional Hospital Board, moving to Nuffield Orthopaedic Centre as hospital administrator in 1974. He was the first Secretary of Edgware and Hendon Community Health Council, the first Chief Executive of the NHS Confederation and previously Director of the National Association of Health Authorities and Trusts from its formation in 1990. Lord Hunt was Director of its predecessor organisation, the National Association of Health Authorities from 1984 to 1990. He became President of the Royal Society for Public Health in 2010.

In 1997, Lord Hunt was created a life peer with the title Baron Hunt of Kings Heath, of Birmingham in the County of West Midlands. He served as a Parliamentary Under-Secretary of State in the Department of Health from 1999 until his resignation in 2003 over the invasion of Iraq. He was re-appointed to Government in May 2005 as a Parliamentary Under-Secretary of State at the Department for Work and Pensions and returned to the Department of Health as

Minister of State in January 2007 moving to the Ministry of Justice in July of that year. In the October 2008 Government reshuffle, Lord Hunt became Minister of State in both the Department for the Environment, Food and Rural Affairs (DEFRA) and the newly created Department of Energy and Climate Change (DECC), as well as acting as the Deputy Leader of the House of Lords. In the June 2009 reshuffle he left DEFRA to focus solely on his roles in the Lords and at DECC.

Following the election of Ed Miliband as Labour Party leader, Lord Hunt was appointed Labour's spokesman on Home Affairs in the House of Lords. He also serves as Labour's Shadow Deputy Leader of the House of Lords. Lord Hunt was appointed Chairman of the Trust in April 2011 after seven months as a non-executive director.

Dr Mark Newbold, Chief Executive

Dr Newbold was appointed Chief Executive of the Trust in August 2010 having previously been Chief Executive of Kettering General Hospital NHS Foundation Trust, a post he took up following a 20 year career as a hospital doctor. Dr Newbold qualified in medicine from Birmingham University in 1983, and completed a research doctorate in 1991. He trained in gastrointestinal disease and histopathology and subsequently practised as a consultant at both Warwick Hospital and University Hospital Coventry.

Dr Newbold played a lead role in developing the National Bowel Cancer Screening Programme and was managing director of Rugby St Cross Hospital before leaving medicine to begin a career as a chief executive. He has particular interests in clinical leadership, patient safety, and public engagement.

Dr Aresh Anwar, Medical Director

Dr Anwar is an experienced Clinical Director of medicine and diabetes, a consultant physician and has been involved in the delivery of both frontline and outpatient clinical services. Prior to joining the Trust he spent six years at University Hospitals Coventry and Warwickshire as Clinical director and Associate Medical Director for medicine and emergency services. With a keen interest in medical management, enhancing service quality and improving efficiency, Dr Anwar has led on change programmes delivering new models of care and on many collaborative projects.

Dr Anwar is a founder member of the Regional Pregnancy Advisory Board at the Peri-natal Institute and sits on the regional Diabetes in Pregnancy Advisory Group. He is also a member of the South Asian Health Foundation with his role focused on raising awareness of diabetes in deprived populations of South Asian origin in the UK.

Mr David Bucknall, Non-Executive Director

From the early 1960s, Mr Bucknall led the transformation of Bucknall Austin from a small local quantity surveying company into a successful plc, providing management services in the construction and property sector. After retiring on the sale to Citex in 1998 he took up a series of non-executive positions, returning in 2003 to head up the purchase of the business from administration and leading the firm back into the marketplace merging with Rider Hunt and

Levett and Bailey in 2007 to create the Rider Levett Bucknall Global Practice where he continues to chair the UK business.

He was appointed as non-executive director to the Trust in January 2008 and retired in January 2012.

Mrs Mandy Coalter, Director of Human Resources and Organisational Development

Prior to joining the Trust as Director of Human Resources (HR) and Organisational Development in July 2006, Mrs Coalter worked in local government for 12 years and is a graduate in law, a Fellow of the Chartered Institute of Personnel and Development, a practitioner in NLP and qualified executive coach. Mrs Coalter leads the HR team, overseeing workforce planning, education, organisational development, employee relations, employee well-being and HR services, such as pay and recruitment.

Mrs Coalter and her team developed the Heart of England Faculty of Education, a first in the NHS that has already delivered nationally recognised excellence in education and training. She has also overseen improvements to basic HR management in the Trust including reducing vacancies, faster recruitment, absence management, appraisal roll out and mandatory training.

Mrs Coalter has been on maternity leave since July 2011 and returns to the Trust in summer 2012.

Mrs Anna East, Deputy Chairman

Mrs East was formerly Head of Group Legal and Company Secretary at Britannic Group plc and Halfords Group plc and has also practised as a solicitor at Eversheds. She is currently Vice Chairman and Chairman of Audit Committee at Dudley Building Society, a non-executive director of Midland Heart Housing Association and Entrust, Vice Chairman of Dowell's Trust Housing Association and a Governor of the King Edward's Schools.

Mrs East chairs the Trust's Governance and Risk Committee and is a member of the Remuneration and Audit Committees. She was appointed as Deputy Chairman in April 2008 and is the senior independent director.

Mr Simon Hackwell, Commercial and Strategy Director

Mr Hackwell joined the Trust in 2007. Prior to this he worked in the private sector for, amongst others, Arthur Andersen and KPMG.

He was the programme director for the merger with Good Hope Hospital and in 2011 led the transfer of Solihull Community Services into the Trust. Mr Hackwell leads the Board's work on strategy, business and service development, research and innovation. He has developed close links with partner universities and oversees the development of the Hollier Simulation Centre at Good Hope. Mr Hackwell has spent a good part of the year helping the Board and senior clinicians and managers develop the long and medium term strategy for the Trust.

Simon also sits on the Board of MidTECH – the West Midlands NHS Innovation Hub. He is a politics graduate and has a MBA in International Business. He was appointed to the Board in May 2011.

Ms Najma Hafeez, Non-Executive Director

Appointed as non-executive director of the Trust in April 2007, Ms Hafeez is Managing Director of Russell Excel, a firm of international consultants specialising in management training, education, communication and leadership skills, human resources and change management. She was the youngest and first Muslim woman elected to Birmingham City Council in 1983 and during her years in office she held several senior positions including Chair of Education, Chair of Social Services, Chair of Community Affairs and Chair of Euro-Cities Network.

As an elected member and member of the executive team of Birmingham City Council, Ms Hafeez was involved in the development of Birmingham City's regeneration programme, including the building of the International Convention Centre, Brindley Place, Millennium Point and other key projects.

She is also Chair of Mosaic (a Prince's Trust Charity).

Mr Richard Harris, Non-Executive Director

Appointed as non-executive director in May 2008, Mr Harris is a chartered accountant and spent eight years as a partner with Pricewaterhouse, followed by 11 years in senior finance roles, reporting to the main board finance directors with two FTSE100 companies.

Mr Harris brings a mixture of finance and business experience encompassing the management of large and complex projects, treasury management, taxation, investment appraisal, acquisitions and divestments, risk management, governance and accounting. He is a trustee of the Birmingham Community Foundation, a governor of the RSA Academy at Tipton, a non executive director of Simplyhealth Group Limited and a trustee of various pension funds.

Mr Harris was Chairman of the Finance and Performance Committee from May 2011 to April 2012 and was appointed Chairman of the Audit Committee in May 2012.

Mr Paul Hensel, Non-Executive Director

Mr Hensel is an IT professional with 35 years' experience in the development and provision of IT systems. His early career encompassed roles with Dunlop, GKN, Chubb and West Midlands Regional Health Authority. Mr Hensel, together with his brother, started his own business in 1980 to harness the emerging power of small scale computers. This company, which eventually became a leading supplier of software to the worldwide mobile telecommunications industries, particularly in South Africa and Europe, was acquired by CMG/Logica in 2003. Mr Hensel was appointed as non-executive director to the Trust in August 2005 and is the non-executive lead for IT issues. He is also a non-executive director of the John Taylor Hospice.

Mr Les Lawrence, Non-Executive Director

Mr Lawrence was Cabinet Member for Children, Young People and Family at Birmingham City Council, a post he had held since 2004. He has previously chaired the Royal Orthopaedic Hospital NHS Foundation Trust and the Alexandra Hospital (Redditch). He has substantial NHS and local government experience. Mr Lawrence joined the Board on 1 April 2012.

Prof Edward Peck, Non-Executive Director

Prof Peck joined the Board on 1 April 2012. He is a Pro-Vice Chancellor and Head of College of Social Science at the University of Birmingham. Prof Peck joined the university as Director of the Health Services Management Centre, one of the leading centres for research, teaching and consultancy in health policy and practice in the UK. His work in health and social care policy-making has included membership of the steering group of the Department of Health's Integrated Care Network.

Mr Richard Samuda, Non-Executive Director

Mr Samuda has over 20 years' experience specialising in management consultancy as an advisory partner in KPMG. He is a chartered accountant with a wealth of business experience dealing with major private and public sector clients and is also Chairman of Horton Estates, one of the largest private property companies outside London and a director of Warwick Racecourse. Mr Samuda was appointed non-executive director in June 2006, and resigned in April 2012 to take over as Chairman of Sandwell and West Birmingham Hospitals NHS Trust. He was Chairman of the Audit Committee, supported the volunteering work at the Trust as the non-executive lead and is also a member of the Clinical Awards Committee.

Prof Laura Serrant-Green, Non-Executive Director

Prof Serrant-Green is Director of Research and Enterprise and Professor of Community and Public Health Nursing at the School of Wellbeing at the University of Wolverhampton. She has worked at a very senior level in both nursing and teaching with particular emphasis around marginalised and hard to reach populations in health and social care. Prof Serrant-Green has also worked for the Department of Health, most recently as a member of the Prime Minister's Commission on the future of nursing and midwifery. Prof Serrant-Green joined the Board on 1 April 2012.

Mr Adrian Stokes, Director of Finance and Performance, Deputy Chief Executive

Mr Stokes has been Finance Director for the Trust since 2007 and formally came on to the Trust Board in July 2008. Mr Stokes graduated from Lancaster University in 1992 and worked his way through the NHS Finance Graduate Training Scheme. On completion of the scheme he held a variety of posts within the Trust in addition to a period working for West Midlands Strategic Health Authority (SHA) as the financial and performance manager covering North and East Birmingham.

During the merger of Heart of England and Good Hope Hospital Mr Stokes also held the post of Finance Director in Good Hope's final year and guided the financial turnaround of the organisation. Within the role of Finance Director, Mr Stokes takes the lead for estates, site strategy, procurement and performance reporting. Mr Stokes is also a Board member of the Heartlands Education Centre Ltd.

Mr Stokes has been Deputy Chief Executive since November 2010 and covered the role of Good Hope Managing Director from March to October 2011. He has recently been appointed site lead for Heartlands Hospital.

Ms Mandie Sunderland, Chief Nurse

Ms Sunderland joined in December 2008 as Chief Nurse, which is her third executive director position, her previous posts being in acute trusts in the North West of England. Ms Sunderland's clinical speciality is intensive care nursing and she has worked in both clinical and practice development posts in London, Manchester and Lancashire. Her main interests now lie in quality and governance and she has worked for regulators and the Department of Health in reviewing standards of care across several hospital trusts both in England and Northern Ireland.

In the late 1990s Ms Sunderland spent time working at the Department of Health as a member of the Chief Nursing Officer's team and was the national nursing lead for many governance initiatives such as the establishment of NICE, Essence of Care and National Service Frameworks. In 2003 she returned to the Department of Health on secondment to lead on the National Consultation on Choice.

Dr Sarah Woolley, Director of Safety and Governance

Dr Woolley was appointed as Director of Safety and Governance in May 2007 and is responsible for leading the Trust's patient and organisational safety agenda. She has held a number of posts at Heart of England within safety, risk management and governance and has played a leading role in developing the Trust's approach to safety.

Prior to this, Dr Woolley trained as a clinical biochemist in the West Midlands, undertaking analytical and diagnostic services to support clinical care for patients. Before joining the NHS, Dr Woolley worked as a research scientist at Manchester University, investigating the mechanism of chronic myeloid leukaemia. Dr Woolley graduated from Manchester University in 1992 and then went on to complete a doctorate in biochemistry at Birmingham University.

Executive Team

The Chief Executive has responsibility for the day to day running of the Trust and the executive management team supports him in this. There is a formal meeting of the executive management team on a monthly basis to discuss and make decisions on key operational and strategic issues. There are also weekly updates to address other developments as they arise.

The executive team comprises:

Dr Mark Newbold - Chief Executive *

Dr Aresh Anwar - Medical Director *

Mrs Mandy Coalter - Director of Human Resources and Organisational Development *

Mr Simon Hackwell - Commercial and Strategy Director *

Mr Andrew Laverick - Director of Information and Communications Technology

Ms Claire Molloy - Managing Director of Solihull Healthcare (from May 2011)

Ms Sue Moore - Managing Director of Good Hope Hospital (from September 2011)

Mr John Sellars - Director of Asset Management

Mr Adrian Stokes - Director of Finance and Deputy Chief Executive *

Ms Mandie Sunderland - Chief Nurse *

Ms Lisa Thomson - Director of Corporate Affairs

Dr Sarah Woolley - Director of Safety and Governance *

*Voting Board member

Operating and Financial Review

Our Heritage

The Trust is one of the largest foundation trusts in the country, providing general and specialist hospital care for the people of East Birmingham, Solihull, Sutton Coldfield, Tamworth and South Staffordshire and also community healthcare for the communities of Solihull. Providing services at the heart of local communities is a top priority and the Trust's hospitals - Birmingham Heartlands Hospital, Solihull Hospital, Good Hope Hospital and Birmingham Chest Clinic as well as a number of smaller satellite units – do just that. The transfer of Solihull Care Trust's community healthcare services and some of Heart of Birmingham Primary Care Trust's sexual health services to the Trust in April 2011 has enabled the Trust to bring care as close to home as possible for people in those areas.

Heartlands Hospital originally developed from Little Bromwich Hospital, a fever hospital and sanatorium on the outskirts of Birmingham. As East Birmingham District General Hospital, it acquired the Marston Green Maternity Hospital and became the first acute trust in Birmingham in 1992. The following year, it merged with nearby Yardley Green Hospital and acquired Birmingham Chest Clinic in the City Centre.

Solihull Hospital first opened its doors as a workhouse in 1839 for the poor, including the homeless, sick, aged and those with smallpox and tuberculosis. Solihull District General Hospital was opened as a modern, purpose-built unit in 1994.

Good Hope Hospital began life as a large Victorian house, which was purchased in the spring of 1943 for £5,000 for use as a convalescent home for patients from the Sutton Cottage Hospital. In the early 1950s two single storey wards were built as a place to evacuate people from Birmingham in the event of a nuclear attack.

Following the merger between Birmingham Heartlands NHS Trust and Solihull Hospital in 1995, Birmingham Heartlands and Solihull NHS (Teaching) Trust was formed. This became Heart of England NHS Foundation Trust in April 2005 when the Trust achieved foundation trust status. In April 2007, Good Hope Hospital became part of the Trust, in the first acquisition of its kind in the NHS.

The Trust offers national and regional clinical services, as well as secondary care, emergency and elective practice. As the second largest employer in Birmingham with more than 11,000 staff, the hospitals play an important part in the local community.

With a reputation for pushing the boundaries, the Trust continues to transform the way care is delivered and shape healthcare of the future. Already the top recruiter into clinical trials in the West Midlands, the Trust is expanding in this area with the setting up of the Healthcare Research Institute, benefiting patients by giving them access to the latest drugs.

The principal activity of the Trust is the provision of free healthcare to eligible patients. A very small amount of healthcare is provided to private patients in accordance with the Trust's terms of authorisation. As part of the Trust's principal activity, it also trains clinical staff including doctors.

Our Mission

The Board has defined the Trust's mission as:

“Healthcare at the Heart of our Communities”

Underpinning this mission are four strategic priorities:

- **Safe and caring** – to be patient-centred, delivering quality care with good outcomes
- **Locally engaged** – to develop local services for local people, we grow our reputation and we are a good corporate citizen
- **Efficient** – to make best use of the resources available to us by delivering strong financial and operational performance
- **Innovative** – to find new ways of working and develop unique initiatives to support the other priorities.

The vision for the future is that the communities served by the Trust have pride, trust and confidence in the Trust. To help realise these goals, three-year business plans across the operational areas of the Trust have been developed, which the executive directors regularly review progress against.

To be an optimal safe and caring organisation by 2015, the Trust has set itself targets to be in the top 10 per cent nationally for safety metric performance, to have an 80 per cent score for patient satisfaction and to have 75 per cent of the workforce feeling consistently engaged.

To be as efficient as possible, the Trust has a robust cost improvement programme (CIP) in place with a target of 15 per cent cost reduction over three years and 50 per cent reduction in the cost of staff sickness absence. A target of emergency length of stay below seven days has been set and the Trust also has plans in place to consistently deliver all of its statutory and regulatory targets.

To meet the goal of being locally engaged as an organisation, each hospital has been given a distinct identity. Site management teams were established for Solihull Hospital and community services (together called Solihull Healthcare) and also for Good Hope in 2011. A site management team has recently been established for Heartlands. This re-organisation sits alongside the new three-year 'Re-shaping HEFT'³ strategy. This recognises the need to work with partner organisations and work beyond the hospital walls to reduce unplanned and avoidable admissions, reduce time spent in hospital and increase focus and resources around the patient as a whole. It is clear that the Trust needs to move towards a more value-based healthcare system where outcomes, integration and shared risk are more important. The Trust aims to continue to promote health and well-being in the local communities. The transfer to the Trust in April 2011 of Solihull healthy lifestyle services and some of Heart of Birmingham Primary Care Trust's sexual health services has contributed to the Trust meeting this goal and there are plans to appoint a public health professor to its Healthcare Research Institute. The Trust strives to be a good corporate citizen and one aspect of this is its successful apprenticeship scheme.

³ HEFT – Heart of England Foundation Trust

As part of being an innovative organisation the Trust has established a Healthcare Research Institute with a director taking up post in April 2012 and this Institute will be developed over the coming years. The Trust has developed a nurse brand with an online training tool and a badge of achievement and this has earned national recognition. The aim is to further promote and develop the nurse brand. Another innovation introduced during the last year is helping patients with high blood pressure for whom all medication has failed. The procedure called renal denervation is a minimally invasive technique that reduces blood pressure.

The Future

The Trust is preparing itself for the many future challenges through its Reshaping HEFT programme. Over the last year the Trust has consulted with the medical and nursing specialists in the main bed-holding areas to review how services are currently provided and to determine whether there is a different way of delivering these services that would better serve the needs of the patients. This has resulted in a project board structure that manages the thirteen identified workstreams, which include redesigning the pathway for frail elderly patients, reviewing diabetes pathways, considering the use of a 'HEFT at Home' model and investigating the need for an elective care centre at Solihull. The Reshaping HEFT programme has been discussed with the governors and an outline plan has been shared with local stakeholders.

Legislative changes will also have an impact on the Trust. The key elements of the Health and Social Care Act 2012 are intended to give general practitioners (GPs) greater control of commissioning the healthcare they deem appropriate for their patients and control of the budget to pay for it. It will establish Health Watch to make the NHS more accountable to patients, compel all hospitals to achieve foundation status and establish Public Health England to improve public health and reduce health inequalities. Clinical Commissioning Groups (CCGs) have been set up to work directly with providers of healthcare services. The CCGs will be chaired by GP consortia representatives and will work closely with executives of healthcare service providers to ensure that services are developed where necessary to meet the requirements of GPs.

In 2012/13 the Trust will continue to work with the primary care trusts (PCTs) to understand the transferring of their responsibility to the CCGs and ensure that key contacts are established within the CCGs. In 2013/14, Board executives from the Trust will attend a CCG meeting each month to develop the principles that underpin the commissioning contracts, to agree improvements to patient pathways, address any performance issues relating to primary and secondary care providers and implement the guidance from the NHS commissioning board to improve quality and patient outcomes.

The Social Care Act also changes the responsibilities of Monitor, the Trust's regulator, and the directors and managers of the Trust will be working with Monitor to ensure there is a smooth transition to the revised regulatory environment.

The Trust continues to work with other key stakeholder organisations outside the NHS. The local councils play an important part in improving the public health of the communities the Trust serves and they also have an important role to play in supporting the timely discharge of patients, which is why the Trust strives to work in partnership with these organisations to deliver the best outcome for patients. The universities in the region are also of significant

importance to the Trust as they support the training and development of large sections of the medical and nursing workforce and contribute to the Trust's research activities. The Trust will be working increasingly closely with these academic and research centres over the coming years.

Clinical Group Reports

At the beginning of the financial year the Trust was made up of five operational groups, each with a medical director supported by an operational director. During the year the Trust has moved to dedicated site leadership on each of the three hospital sites. Heartlands, Good Hope and Solihull Hospitals now have their own dedicated senior management teams which include a lead clinician and head nurse. Alongside these are two clinical divisions, one for clinical services and the other for women's and children's services.

The five clinical groups had their own monthly board meetings which reviewed performance and reported key issues and actions into the Operations Committee and Executive Management Board. The highlights for each of the groups are given in the following section.

Group 1 – Emergency Services

The group has made significant progress in 2011/12 against its three areas of focus:

1. Quality of Care

The group aims to provide quality of care across the three aspects of its services:

a) from the front door of the Trust's hospitals

In A&E we have retained our Cabinet Office Charter Mark for Excellence in customer service. This is backed by the results of an unannounced CQC visit to Heartlands A&E which gave a very positive report, on what was an exceptionally busy day.

The group played a significant part in the Trust's achievement of the 4 hour A&E target in every quarter of the year. This is the first time that this has been achieved in all four quarters at this Trust.

The Trust aims to admit ambulance patients within 15 minutes of their arrival at hospital and this year the rate improved from 15% to just over 50%. Furthermore, the Trust has worked with the Ambulance Trust so that serious heart attack victims can now be admitted straight to the coronary care unit at Heartlands Hospital – getting patients the expert care they need without delay. Against a target of 75% of patients getting angioplasty (an operation to alleviate the blockages in coronary blood vessels) within 150 minutes of their call for help, the Trust now achieves that for 83% of patients.

Development of the group's services continues. This year, in partnership with therapists and mental health teams, the group established rapid assessment clinics for the elderly to deliver the best plans of care for these vulnerable patients without delay. Also, rapid assessment clinics are now provided seven days a week for patients who had transient ischaemic attacks ('mini' strokes).

Patients are treated according to their needs in A&E by a range of professionals, including a newly integrated GP service within the department.

Increasingly, patients with mental health, drug and alcohol problems arrive in A&E, which is a service primarily set up for serious injuries and physical health problems. To assist with this specialist need there is now in place a team of psychiatrists, psychiatric nurses and drug and alcohol specialists who can rapidly respond.

b) for our inpatients

Use of JONAH⁴ principles and improved care pathway design have resulted in elderly and acute medical patients being able to stay in hospital for shorter periods. In elderly care this has been: seven days less at Solihull, six at Good Hope and one at Heartlands, meaning patients can return quicker to the comfort of their own homes.

The way of working has been changed to ensure that patients needing planned cardiac interventional procedures at Heartlands Hospital are seen quicker. This gives a far better service for patients waiting for care and significantly reduces the length of time inpatients stay in hospital.

Therapy services are now provided seven days a week. This is a model of service which has received national recognition.

Falls in hospital are a continuing challenge as our population of elderly and confused patients increases. The introduction of sensors to one ward at Solihull Hospital has helped to alert nurses to patient movements very quickly and has reduced the incidence of falls by half.

Nursing Metric measures, which indicate the standard of nursing care, in acute medicine, renal units and elderly care wards have been consistently above 90%.

Patients who have suffered strokes have been provided with the specialist care they require over and above the nationally required standard since June 2011.

The number of patients with dementia continues to increase and the group provides an improving service through the establishment of a mental health nursing team as core members of Trust staff and through recruiting 30 registered mental health nurses to the nurse bank to ensure the right care when patients need specialist help.

c) going home

Recognising that an elderly patient's home is the best place for them to recover from illness has led the group to develop a model of early supported discharge. This takes the vital therapy they need to continue their recovery into their own home and get them out of hospital sooner.

Discharge Lounges on all 3 sites have been relocated or refurbished to ensure a good standard of facility for patients to wait for their transport home. Snacks, drinks and reading material are all provided, together with the supervision of qualified nurses to ensure comfort and safety.

⁴ The Jonah programme uses a number of improvement methodologies to ensure smooth, effective and safe patient care. It provides the valuable information required to ensure effective operational management.

2. Improving Health

Recognising the harm caused through alcohol misuse and smoking, commissioners have required screening of emergency patients in order to steer them toward services in the community if they need help. By the end of the year more than 90% of the Trust's front line staff in emergency assessment units had been trained to carry out this screening.

3. Developing our Services

To improve further the care of stroke patients, the group has launched a Trust-wide review of its services to ensure that care is provided to the highest national standards. The review, led by Professor Matthew Cooke, will conclude in 2012/13.

A Trust cardiologist with specialist skills in the treatment of patients who have electrical system defects in their hearts has joined forces with University Hospitals Coventry and Warwickshire NHS Trust so that he can give local patients super-specialist care in the unit there and then follow up that care much closer to home.

The Trust's A&E leaders have entered into partnership with the College of Emergency Medicine in India to develop an innovative rotational arrangement for junior doctors undergoing training in emergency care.

Cardiology experts are going out into the community and have started to provide clinics in Solihull, offering a one-stop service for many.

In the fourth quarter of the year the group launched a programme of change to deliver significant and ambitious improvements in the care of patients with dementia. The work is undertaken by clinicians, managers and nurses and covers the ward environment, Trust policies, drug treatments and staff training.

Local GPs now have the advantage of using the Trust's cardiology advice and guidance service, giving them access to experts without referring them into a hospital, to support them in making the right choices for their patients.

Group 2 – Planned Inpatient Care

For group 2, 2011/12 was a year of consolidation of previous successes. The group has a vast array of targets to meet, ranging from PCT contractual targets, nationally mandated targets (cancer and 18 week waits), Commissioning for Quality and Innovation targets (CQUINs), and Patient Reported Outcome Measures (PROMS) as well as internal targets on nursing metrics, complaints management, and efficiency requirements whilst still maintaining capacity to serve the flow of patients through the hospitals.

Developments have taken place on how services are delivered to patients. Due to demands for theatres the group re-established six additional theatre sessions, working in conjunction with other clinical groups. This has helped the Trust to achieve the 18 weeks target in a cost effective way for most areas of the Trust. A surgical assessment unit was introduced at Good Hope Hospital, which has resulted in a shorter length of stay for patients and has supported the improvement in the 4 hour access target performance. There has been a redesign of patient pathways in the respiratory department at Solihull that has resulted in an expanded

Non-Invasive Ventilation (NIV) service. Some of the wards in this area have implemented the JONAH scheme piloted by group 1 which has further improved the patient experience, demonstrated by nursing metric improvements on all sites.

The group has also developed specialist services in the year. A joint school has been successfully introduced at Solihull, where patients are invited to the hospital in advance of their procedure taking place to learn about the procedure, recovery and preparation in a less formal environment that prompts discussion. The patient feedback on this scheme has been very positive and there are plans for further developments such as DVDs or booklets to assist those who are unable to make a visit to the hospital.

Other developments that have started in the year and will carry on in the future include providing specialist gastrology specialist services to other trusts, extending the bowel screening programme and providing a tertiary service for Abdominal Aortic Aneurism (AAA) screening.

Group 3 – Ambulatory Care

Group 3 has continued to focus on building relationships with primary care trusts and the newly formed GP commissioning groups. Through the joint Commissioner and Provider Planned Care Board (CPPCB) and its sub groups some specialties have linked with commissioners and GPs to review clinical pathways including ENT, ophthalmology, diabetes, dermatology and rheumatology in order to manage demand and agree treatment pathways.

Outpatient booking processes continue to improve as a result of the transformation in service delivery at Lyndon Place. Complaints regarding multiple appointments have reduced, telephone answering times have improved, and GPs are receiving an improved Choose and Book service. The introduction of Advice and Guidance for a number of specialties means that GPs get advice on patient treatments direct from a consultant without the need for a patient to attend a hospital appointment.

The introduction of partial booking for follow-up outpatient appointments will reduce waiting times for patients who attend a second or subsequent appointment as patients will be scheduled according to the required review period and capacity will be monitored accordingly. This is an important quality initiative currently in place in rheumatology but with a plan to roll out Trust-wide in 2012/13.

Outpatient redesign is improving the quality of the patient experience in outpatients as a result of creating smoother flow, particularly for patients who see multiple professionals or receive tests as part of their outpatient visit. Waiting times between contacts has reduced substantially in the clinics that have applied the improvement measures and again a plan to roll out across the Trust is in progress.

In diabetes work with local GPs has resulted in the transfer of patients to the community and primary care with agreed entrance and exit criteria to ensure patients continue to be managed in the most appropriate setting.

As a result of excellent leadership from the clinical director in diabetes and his team, the DECIDE Programme (Delivering Excellent Care for Inpatients with Diabetes) has increased awareness and safety in the care of diabetic inpatients with the implementation of an inpatient referral service and safer prescribing of insulin.

The dermatology directorate has continued to increase activity as demand for this service continues to expand. A business case to support the provision of a purpose-built and expanded dermatology department at Solihull has been submitted to support the ever-expanding workload of this department.

The retinal screening service has been an immense success with referrals well above anticipated levels and this has enabled bids for additional work from around the country.

The increased use of the Health Screening Questionnaire in pre-operative assessment has reduced the number of times patients need to attend hospital prior to surgery and has allowed nurses to focus on patients with more complex needs prior to major surgery.

The opening of an additional theatre on the Heartlands site enabled an increase in the number of orthopaedic and urology patients to be seen and treated in line with the 18 week and cancer waiting time targets. The theatre was commissioned and staffed on time for its planned opening in May 2011 and remains open.

A new Theatre Management Information System, which will enable teams to review activity in a more timely fashion as well as introduce electronic safety checks such as the WHO Safer Surgery Checklist, is being trialed for rollout across all theatres in the Trust. This will enable further improvements in day case utilisation and theatre productivity, which has seen significant improvements in 2011/12 with over 98% of lists used.

Group 4 – Clinical Services

Group 4 provides clinical services, such as pathology, radiology and anaesthetics, to the rest of the Trust, as well as providing specialist services including sexual health and infectious disease services and critical care.

On 1 April 2011 the community sexual health services transferred from Heart of Birmingham PCT into the sexual health services provided by the Trust, included Healthy Gay Life, the chlamydia screening programme, sexual health promotion, the Safe Project and the Safe Methadone Service. These services have developed a very close working relationship with existing services provided at New Attitudes, in Erdington, and Hawthorn House, at Heartlands Hospital. Plans for partnership working with other community services across the City are being developed, leading the way for more integrated care.

Another example of community working is in the infection prevention control team's development and implementation of a health economy project, the Catheter Passport Project. This is being rolled out into the community to reduce unnecessary interventions for catheter patients and is expected to become a national project due to its success in improved care for this patient group. This team has also worked on a combined project with orthopaedic surgery, called Surgical Site Surveillance, to improve skin preparation prior to surgery. This has resulted in a dramatic reduction in post operative infection rates in orthopaedic patients.

The medical devices team has led the way in developing safer services. In 2011 the team led a project which successfully decommissioned Graseby ambulatory syringe drivers across all acute sites and replaced them with new, safer McKinley T34 syringe pumps. The Trust was the first in the Midlands to complete the withdrawal of these devices, four and a half years ahead of the National Patient Safety Agency deadline.

The resuscitation team received a national award from the National Cardiac Arrest Audit for high quality data collection, and the Trust's survival rates for cardiac arrest are higher than the national average.

The interventional services section of the radiology department had a visit from NHS Innovation and Improvement and received excellent feedback. This included commendation of the new radiology website, which was also praised by the Society of Radiographers. The radiology team has made many improvements to the services it offers. It has developed new clinical pathways with the primary care cluster, which improves the quality and efficiency of services to patients, such as community-based deep vein thrombosis management pathways at Solihull. Within the hospitals, radiology has begun to provide seven-day working, particularly in relation to interventional services, so improving access at weekends. Developments will continue into the future, with further pathway reconfiguration to match best practice, more integration with the community, and innovative practices such as hybrid interventional theatres being investigated.

Critical Care successfully expanded the bed base at Heartlands from 9 Level 3 Critical Care beds to 11 Critical Care beds at the end of 2011. This increased capacity has allowed better provision of care for the most acutely ill.

The pathology department has gone through massive pathway change with moves to Heartlands to provide better services. The department has also implemented the Trust's first managed services contract for medical devices. Work commenced on a two-storey extension to the pathology building at Heartlands Hospital during the year and is progressing well. The development will modernise and improve the service as a whole and mean an increased number of samples can be turned around by the laboratory medicine team. The team of 400 laboratory medicine staff currently turns around more than 2.6 million sample requests each year.

Group 5 – Women's and Children' Services

In the 2011/12 year there has been significant strengthening of the management and leadership of the group. In September 2011 a new group medical director, Dr Clive Ryder, commenced in post. In addition, a new midwifery management team has been recruited in 2011/12 focusing on operational, governance and community services.

In May 2011, a new gynaecology ward was opened on Ward 1 at Heartlands to ensure maximum patient safety. The ward is integrated with a new gynaecology assessment unit for emergency admissions and assessments and has significantly enhanced the service.

The children's safeguarding team has been enhanced with the appointment of additional nursing support, a dedicated trainer, increased administrative resource and five sessions of additional consultant paediatrician time. These investments have positioned the Trust to better support families in need and to meet its statutory obligations.

The paediatric service at Good Hope has established an assessment unit in line with national best practice and has re-profiled beds to ensure high quality observation beds in support of early discharge from hospital. The consultant paediatricians for the site have also established a system of being on-site until 9pm to support peaks in emergency capacity.

Nursing teams have continued to develop bespoke safety metrics for paediatrics, maternity and neonatal services. A regional award for innovation was secured in recognition of the development of these metrics in neonatology.

The Trust has supported the upgrading of the environment for neonatal services on the Good Hope and Heartlands Hospital sites. A £1.1 million upgrade at Good Hope Hospital commenced in January 2011 and works will be completed in the summer of 2012. A business case is expected to be approved in 2012 to provide a major refurbishment of the unit at Heartlands Hospital.

Site Reports

The managing directors of each site give their report of the past year with a look ahead to the next in the following section.

Birmingham Heartlands Hospital

Context

Heartlands is a large, busy hospital sitting in the heart of a diverse and dynamic community in the east of the City centre. It is increasingly the centre for more acute and complex care as it is home to a number of specialist clinical teams and facilities. For example, it is able to offer 24-hour, high quality and complex maternity and surgical services to the local population. It is also home to a number of regional services such as infectious diseases, cystic fibrosis, thoracic and bariatric surgery. Heartlands employs a number of nationally recognised clinicians who are at the leading edge of their profession.

A full range of secondary care services including medical and surgical specialist care are provided from this site. In 2011/12 there were 102,878 A&E emergency department attendances and 313,563 outpatient attendances on this site. These services are supported by a large infrastructure with 601 funded beds on site as well as 9 ITU and 8 HDU beds, 29 stroke beds, 32 neonatal cots and 21 theatres. The maternity department hosts the largest birthing centre in Europe.

Heartlands also leads on the Trust's academic work. It is home to the Trust's Faculty of Education. As a whole the Trust is one of the largest centres for training doctors, nurses and other clinicians in the country and the Faculty brings together the Trust's work in this area and has developed innovative learning packages which are being adopted across the country. Research and innovation is also centred at Heartlands. The Trust undertakes a large number of clinical trials each year and has ambitious plans to expand its translational research portfolio.

Performance

In the 2011/12 year the key focus of the site has been to achieve the operational targets of reducing length of stay, improving on the four-hour access targets and ensuring hospital acquired infections are reducing and kept to an absolute minimum. Being successful in these aims will not only improve the quality of the patient experience but will also help the efficiency of the running of the Hospital.

Progress has been made on all of these areas with the site and the Trust as a whole achieving the A&E target in each quarter of the year. This has been a target the Trust has found challenging in the past, especially in the winter months and success this year is due to the huge effort of all those involved in improving the patient flow across the site. There have been some new developments that have enabled this improved performance, such as permanent establishment of a discharge lounge on the site, more doctor ward rounds, including at weekends, and reviews of patient pathways.

At the start of the year another theatre was commissioned to increase the in-house theatre capacity to be able to treat the increasing number of patients presenting at the Trust, and continue to achieve the 18 weeks referral to treatment target of 90% throughout the year.

Future Developments

In December 2011 work started on an extension to the pathology building. This extension is part of a redesign of pathology services and will enable the Trust to fully automate its services, thereby driving a more efficient service. The Trust also plans to extend the services it offers to other trusts, GPs and other users of diagnostic services.

As part of the re-shaping HEFT programme and the on-going site strategy capital programme, there will be further development at the site over the coming years. There are plans for the maternity and neonates facilities to be improved and a review of the infrastructure of a number of other services is currently being undertaken.

Given the large and diverse population served it is important that Heartlands Hospital plays its part in not only caring and treating disease but also in safeguarding the future health of the community. The Hospital will, therefore, be increasingly active in early intervention and prevention work and, along with others, play its part in contributing to the future health and well-being of the communities it serves. It is planned, therefore, that Heartlands Hospital will use its expertise and resources to play an increasing role in public health across the West Midlands.

Good Hope Hospital

Vision, Context and Development

Good Hope is a medium sized district general hospital that provides acute services for the population of Sutton Coldfield and South East Staffordshire. The geographical spread of the population local to Good Hope has significant implications and local commissioning ambitions will need to take account of patient journey times for residents of South Staffordshire.

The Hospital provides a full range of secondary care services for both medical and surgical specialties. There are approximately 75,000 A&E attendances per year and the Hospital's performance against the four hour access target has significantly improved over the past six months with a significant improvement in delivery to a 2011/12 outturn of 92.77%, versus 88.17% for 2010/11.

On site there are approximately 460 beds with a predominantly medical, surgical and orthopaedic specialisation. There are 12 commissioned ITU beds with a further six uncommissioned; a six-bedded hyper acute stroke unit with fully telemetry monitored beds.

There is also a large purpose-built treatment facility with full endoscopy and outpatient services. A full range of diagnostic tests with new MRI scanning facilities currently being installed and plans for a replacement CT scanner. Approximately 2,500 staff support all aspects of service, both clinical and non clinical.

There are a number of developments currently being undertaken at Good Hope. These are:

- Emergency department refurbishment
- Re-provision of two laparoscopic theatres and a day surgery facility
- Refurbishment of wards in the Richard Salt and Sheldon Unit.

Whilst capital investments enable the development of services and improve treatment facilities for patients, there are other significant areas that have developed over the year:

Diabetes:

- In December 2010, 53% of patients had the blood glucose monitoring frequency adhered to for three days. This has increased to 88% in March 2012.

Falls:

- Good Hope Hospital had 15.1 inpatient falls per 1,000 occupied bed days during Quarter 4 of 2010/11. This dropped to 12.5 in Quarter 4 of 2011/12.
- In January 2010, 30% of patients had a falls care plan in place, compared with 79% in March 2012.

Nutrition:

- In January 2010, 68% of patients received a nutritional screening assessment on admission to hospital, compared with 95% in March 2012.
- In January 2010, 27% of patients were weighed on admission to hospital, compared with 77% in March 2012.
- In September 2011, Good Hope achieved CQC compliance with Regulation 14, Outcome 5 (Meeting Nutritional Needs) with the 'Red Cup and Jug Lid' Trust-wide scheme.

Local Enough to Care, Big Enough to Count - the vision for the Good Hope site is to deliver the very best secondary care, to provide an access portal to both community and specialist tertiary services ensuring seamless transition for patients.

Looking Forward

Like the other partner hospitals the Trust works with, the management team believes that it is possible to bridge the gaps in care that patients report to us when they transfer from one organisation to another. Whilst Good Hope is not formally integrated with the community providers that provide care to the local patient population, strong working relationships are beginning to develop. The joint venture with Birmingham Community Trust to provide smoking cessation services to South Staffordshire is one example, as is the collaborative refurbishment of community ward 3, including an investment of £90,000.

Good Hope will deliver services equitably across the working week. Integral to the success of this model is the implementation of seven-day working for the medical work force in acute medicine.

Coupled with the capital investment to the emergency department and close working with the community provider services there is potential to reduce hospital admissions and also reduce the length of stay of those admitted patients.

Women's and Children's Services

The site will work with the directorates of the women's and children's group to continue the development of paediatric, obstetrics and gynaecology services. The population of both Tamworth and Lichfield is growing with planned new affordable family housing developments. The associated increase in births, coupled with the challenges posed by the Royal Colleges with respect to medical cover, will no doubt require a review of how some of the most complex births are managed. How Good Hope responds to growing population needs and expectation regarding services provided to paediatric patients will be shared as the journey and population needs unfold.

Clinicians are reviewing services to explore the potential to move the clinical setting, one area of focus is a request to offer hysteroscopic procedures in an outpatient facility, and currently they are performed in a day case setting. This proposal enables the CCG to evaluate how and where it invests funding in conjunction with offering patients treatment in a more appropriate setting. This also helps the Trust to realign the use of theatre facilities to match demands against that time.

Stakeholders

Good Hope sees patients from three newly formed Clinical Commissioning Cluster Groups - Birmingham and Solihull, Forward [North and East Birmingham] and South East Staffordshire. The site team has been able to align its commissioning and performance forum so that a joint meeting is possible and this new grouping is specifically interested in the commissioned services from Good Hope. This is an exciting and complex venture as through this forum will 'live' the vision for Good Hope, enabling delivery of excellent care for the patient population.

Future Plans

Good Hope is in a period of transition, which is both exciting and, on occasion, challenging. That said, its dedicated and proactive management team has developed the vision from what staff and patients have told us. Good Hope owns the vision and will deliver. This next year is about consolidation, confidence and supporting the best clinical care for patients.

Solihull Healthcare (Solihull Hospital and Community Services)

2011/12 has been the start of what is an exciting and new agenda for Solihull Hospital and community services. A lot has been achieved and good progress made in improving local services for local people. There is much more to do and a busy year lies ahead.

Going forward, the vision being developed for Solihull will result in a better patient experience; more people being cared for locally, and the long term sustainability of our hospital and community services.

The population of Solihull has very diverse needs and services are being shaped to address these. The borough is a mix of urban and rural communities and there is a 10 year gap in life expectancy between the south and the north of the borough associated with levels of deprivation. However, the majority of elderly people live in the south of the borough and will increasingly require significant care and support - by 2020 over half the population in Solihull will be over 65. So there is a 'twin-hatted' challenge of reducing inequalities with a focus in the north, whilst supporting an aging population with a focus in the south.

Solihull Hospital serves predominantly the Southern and Central parts of Solihull borough, parts of South Birmingham and the borders of Warwickshire. People in the North of Solihull tend to access secondary care at Heartlands Hospital, with people in South and Central Solihull also using Heartlands for those specialist secondary care services not provided in Solihull. Solihull community services serve all parts of Solihull borough.

Services

Solihull Hospital is a small district general hospital with about 260 beds currently in use, providing a range of outpatient, ambulatory, surgical inpatient and emergency care. It does not provide paediatric inpatient care, more specialist and complex surgery, trauma and major medical emergencies, which are provided for Solihull residents at Heartlands Hospital.

Over the last 12 months approximately 55,000 people have been seen and treated in either the A&E or acute medical unit at Solihull as an emergency; with about 26,000 operations carried out as day cases or as an inpatient in Solihull Hospital.

Since April 2011, the Trust has also been the provider of community services for Solihull residents. Community services provide a range of care in people's own homes and in community based settings such as GP surgeries, community clinics and care homes. The services range from supporting people to stay healthy and well such as stop smoking and community dentistry; to pro-active care to support people to stay independent in a community setting, such as 'virtual' wards and community nursing; to support in a crisis, such as rapid response nursing, hospice at home and intermediate care.

By being a provider of both hospital and community services the Trust can do things differently. By bringing these services together the way that care is provided can be shaped across traditional care boundaries. Working with local people and with colleagues in the voluntary and community sector, GPs and local authority through a newly evolving 'accountable care' partnership, the Trust has the opportunity to develop truly integrated services across the whole care pathway. The aim is for pathways that support patients to stay healthy and well; provide personalised care in their own homes and community settings; prevent unplanned admission to hospital and provide rapid access to diagnostic and expert

services when needed. The Trust aims to provide services that are seamless and guide patients the whole length of their journey through the health and social care system from home to hospital and back again.

Key achievements and improvements over the last year

- *Improvements in safety and quality* – the quality of care has been improved in a number of areas, for example, in a ‘basket’ of nursing care indicators, performance has improved by over 5% to nearly 94% compliance with specified standards of care, with a resultant increase in patient satisfaction rates to over 90%. For example:
 - The number of falls happening whilst people are in hospital has been halved.
 - The number of people developing a pressure sore whilst in hospital has reduced drastically to less than half a percent. The reporting and completion of root cause analysis and learning from experience has increased in both hospital and community.
 - Low levels of infections have been maintained, with the second year running of no MRSA or C.diff⁵ cases attributable to community services.
- *Improvements in performance* – the last year has been a busy year – on average 150 people were seen within A&E and the acute medical unit every day. However, even though more people have come to hospital, staff have been successful in ensuring they have been supported in the best possible way:
 - The average length of stay in Solihull Hospital has been reduced by more than a day.
 - Waiting times in outpatients have been halved.
 - Levels of escalation at Solihull Hospital have been lower this winter than previous years demonstrating improved management within the hospital and greater collaboration with community services and use of supporting services such as intermediate care.
 - As a result of the orthopaedic rehabilitation ward moving to Solihull Hospital in December, the average length of stay for people on that ward has more than halved from over 50 days to less than 25.
 - More people have been supported into community alternatives rather than being admitted – up by about 5% with the numbers being admitted reduced by about 1%.
 - Nearly three times as many ambulances than at the start of the year have been able to drop people off in A&E/AMU and ‘turnaround’ to be back on the road within 15 minutes.
- *Service improvements and development of integrated care* – the focus for integrating Hospital and community services has been on supporting greater collaboration between

⁵ Clostridium difficile often called C.difficile or C.diff is a bacterium that can cause symptoms ranging from diarrhoea to life-threatening inflammation of the colon.

clinicians and professionals and the development of new models of care and pathways. The role of head nurse and professional lead for community services has been established and links are strong with the head nurse's team at Solihull Hospital and with the Trust's chief nurse. Acute clinical nurse specialists have been encouraged to link with their community counterparts and positive relationships have developed. For example, community heart failure nurses are supporting acute clinics and the community respiratory lead is attending acute ward rounds. Within physiotherapy work is underway to align community and hospital outpatient therapy pathways, to jointly review skill mix and to work with commissioners to align waiting times.

Early work in service integration and the redesign of care models and pathways has focused where significant synergy has been identified between areas of care and where there is shared team enthusiasm and commitment to change: diabetes, respiratory, wound care and intravenous therapies. In addition, the following improvements are also being made:

- Creation of one children's safeguarding team across hospital and community.
 - Trial for an early supported discharge service following stroke with resources injected from community services.
 - Appointment of a fourth elderly care consultant who will work across hospital and community to support admission avoidance and facilitate timely discharge.
- *Development of a dedicated Solihull management team* – the new strategy of the organisation developed over the last year is to become more locally engaged and for greater local autonomy and decision-making. Over the last 12 months the Solihull management team has been developed headed up by a new managing director and supported by a medical director, head nurse and general managers. Further changes currently underway will strengthen this to enable most aspects of development and day to day operational delivery to be led locally.

Looking Forward

Moving into the new financial year, there are many plans to improve services in Solihull. Our priorities are:

- To continue to place a strong emphasis on **quality** and improving patient experience – ensuring the Trust continues to deliver a **safe and caring** service locally.
- Developing **site autonomy and local leadership** – with decision making genuinely devolved, with clinicians and managers being able to make decisions with local people about what is the right thing locally.
- **Service development and integration** – supporting clinicians and practitioners in their aspirations for service development at Solihull, helping teams in hospital and community to work more closely in the development of integrated care. Through work over the last year, a vision is beginning to take shape for the development of Solihull Hospital and community services and early plans include:
 - Developing a treatment centre for elective surgery that is efficient, fit for purpose and an attractive facility for patients.

- Expanding services for the frail, elderly, including more community alternatives and closer working between services in community settings and the hospital.
 - Developing 'beacon' services - centres of excellence in areas such as elderly care, ophthalmology, dermatology and ENT.
 - Establishing a multi-professional hub for managing long term respiratory conditions in a more pro-active and co-ordinated way.
 - Developing a facility to allow the safe and timely delivery of high quality chemotherapy and supportive care to patients with cancer in a comfortable, local environment.
 - Development of a health and wellbeing centre and supporting services.
- **Engagement and Partnership working** – in a new partnership the Trust is developing with local GPs, social care and the voluntary and community sector, the concept of accountable care is being explored. As a coalition of organisations involved in the delivery of care in the local health and social care sector, members of the partnership have agreed to work together for common aims, share resources and responsibilities and behave in a co-operative and mutually supportive way to improve care for local people. Key initial priorities for the partnership are services covering the frail elderly, long term respiratory conditions and urgent care. Birmingham and Solihull PCT Cluster has agreed to support the partnership's work in Solihull as a demonstrator site within its overall work programme on frailty. This is an exciting concept attracting national interest in how it is progressing.

In addition to the three Hospital sites the Trust has a chest clinic facility in Birmingham city centre.

Birmingham Chest Clinic

Context

Birmingham Chest Clinic is a busy outpatient facility in the centre of Birmingham. The Clinic opened in 1932 as the Anti-Tuberculosis (TB) Centre and changed its name to Birmingham Chest Clinic in 1950. The Clinic provides outpatient facilities for general respiratory, occupational lung and interstitial⁶ lung disease, TB, thoracic surgery, adult and paediatric allergy and sexual health. In addition, the TB aftercare team is based at the Chest Clinic. This team supports TB patients across Birmingham. The number of reported TB cases, active and latent, has increased over the past few years. During 2011/12 there was a significant increase in the number of TB incidences and this has reflected in an increased workload for the TB aftercare team. The directorate management team is working with commissioners of the service to address staffing requirements.

The Clinic also provides X-ray facilities for outpatient and GP walk-in centre patients, respiratory physiology and phlebotomy services.

The facility is supported by core staff – outpatient nursing, radiographers, respiratory physiology technicians, domestic, clerical and portering staff. Medical staff from across the

⁶ **interstitial lung disease** is a group of lung disorders that cause scarring of lung tissue, making it difficult to get enough oxygen into the body.

Trust visit for clinic activity with guest physicians from other NHS Trusts. The Chest Clinic continues to have a strong team that works flexibly to adapt to changes in service demand and performance targets. There have been only two complaints in the last two years.

Performance

The Chest Clinic performance targets are the core Trust targets. All access targets are achieved. 'Did Not Attend' rates, particularly in relation to TB, are challenging and require specific measures being implemented by the teams to address this.

2011/12 saw a reduction in new patient referrals to the Chest Clinic for respiratory medicine from 3,038 in 2010-11 to 2,638. This is in line with an overall reduction in new patient demand across the directorate.

Future Developments

Review of the Chest Clinic facilities and alternative city centre facilities form part of the Reshaping HEFT programme and a review is currently underway. A solution for medical records storage and management is being prepared. The TB team is planning an event for summer 2012 to review both the patient pathway through the service and delivery of the service. Various research streams are in progress.

Corporate Nursing Report

Introduction

2011/12 has been an exciting year for nursing and midwifery with many improvements in nursing outcomes and several national awards.

Nursing and Midwifery Performance

Monitoring key indicators of nursing and midwifery practice, workforce and performance has been a Trust priority for several years. There is now in place a robust performance management framework which centres on a formal nursing and midwifery performance meeting. The following issues are captured monthly:

- Standards of nursing and midwifery care
- What patients say about their care
- Nursing and midwifery vacancies
- Nursing and midwifery sickness levels
- Mandatory training
- Environmental cleanliness
- MRSA screening
- Single sex compliance.

Monthly data can be provided by ward, department, directorate and hospital as well as Trust-wide to enable robust monitoring of standards and therefore improve outcomes for patients.

Nursing and Midwifery Badge

Following numerous discussions in recent years, nurses and midwives across the Trust have supported the development of a nursing and midwifery badge to be awarded to those who can evidence excellence in clinical standards, knowledge and professionalism.

Applications for the badge were launched in February 2011. To apply for the badge staff need 100% attainment in VITAL (the in-house developed, e-learning tool, which assesses basic fundamental nursing care skills), to show commitment to the Trust's nursing and midwifery values and be up to date with mandatory training. More details of VITAL are given in the workforce development section on page 42.



i-skills

The i-skills concept was showcased at the Trust's Nursing and Midwifery Launch in March 2011 as a new and innovative way of accessing clinical skills delivered by experts from across the Trust. Interest in developing i-skills has increased across the Trust, with medical, allied health professionals and pharmacists all wanting to explore the usage of i-skills to enhance their own range of clinical skills and funding has been received from the Birmingham, Sandwell and Solihull Workforce Locality Stakeholder Board. The funding will allow dedicated multi-media time for the project and additional support from the Faculty of Education.

i-skills was officially launched across the Trust on 5 January 2012 to coincide with the launch of the new fluid balance charts. The official launch saw over 200 hits to the i-skills site from Trust staff within the first 24 hours. Access is via the internet on www.iskills4heft.co.uk. Interest in the i-skills internet site has come from as far as Brazil. i-skills also has a twitter account with a number of followers including the Chief Executive.

The i-skills library continues to grow with 17 podcasts uploaded and a further four awaiting final sign off. With additional funding and dedicated support, i-skills will be able to expand further through the forthcoming financial year.

Energise for Excellence (E4E)

Nursing has been supporting the National E4E programme - an online community to promote and encourage nurse-led improvement throughout the NHS. The Trust's contributions have been shared with the SHA and the National Implementation Team. They include:

- **Getting staff right** - demonstrating real-time staffing levels, a dashboard is available on the Trust intranet with guidance regarding escalation. In paediatrics an occupancy level assessment of patient activity has been undertaken and a revised bed model has been devised based upon ambulatory services and the assessment area of care. A workforce review in relation to these changes is underway.
- **Delivering care** - assurance processes which are reported at ward, directorate and Trust level include: nursing metrics with 500 end-of-bed patient records assessed by senior nurses every month using real-time data entry and results viewing; urinary catheter prevalence and essence of care nutrition audit taking place quarterly. All results indicate sustained improvement Trust-wide.

- **Measuring impact** – following initial pilots, productive ward programme modules have been adapted and integrated within Trust-wide initiatives. This has been done so that electronic patient handover, nursing dashboards, patient information and feedback and nursing metrics cover all clinical areas. A Trust-wide roll-out of the patient status-at-a-glance boards is being carried out and this will be integrated into the JONAH discharge project.
- **Patient experience** - patient feedback is gathered in a real-time format from 10 patients on every ward, every month.
- **Staff experience** - nursing has been supporting human resources and the communications team to ensure that nurses and midwives are recognised for the valuable service that they offer and a number of initiatives such as i-skills, VITAL and the Trust nursing badge have been launched during 2011/12.

Bereavement Care

The Birmingham Bereavement Project is a joint-funded regional project co-hosted by the Trust, University Hospitals Birmingham and the SHA and led by the Trust's head of bereavement services. Now in its final year, the project has demonstrated a model for the provision of seamless bereavement care across Birmingham.

An outcome of the project is that the Trust is one of the first national early adopters of the Department of Health's (DoH) Improving Death Certification programme. This new process will commence in April 2012 and provide additional scrutiny for all causes of death, training and support for junior doctors and better communication with bereaved relatives and carers. This has allowed for joint working with key stakeholders including HM Coroner, the register offices (Birmingham and Solihull), Birmingham City Council, Director of Public Health and bereaved relatives. The early adopter model has attracted interest nationally and will be included in the DoH's next national consultation as an example of good practice. Working in conjunction with the Trust's patient services department and the bereavement faith advocacy project, the Trust's bereavement team will be creating a DVD and workbook for both staff and the community on the whole process of death certification, HM Coroner and funeral requirements within the new process of the Early Adopter programme.

Training and education in end of life and bereavement has continued through the Faculty of Education in conjunction with Stafford University for all grades of staff involved in providing end of life and bereavement care. The carefully created content reflects national guidance along with feedback from users of services, including complaints around end of life care and feedback from the bereavement questionnaire.

A virtual training tool for bereavement care has been produced to create a safe environment in which to learn the sensitivities around providing high quality bereavement care and the head of bereavement services has been working with Digital Birmingham to ensure appropriate information on end of life and bereavement processes is accessible by all, wherever and however the death occurred.

The bereavement care service, in conjunction with the chief nurse, lead nurse for paediatrics and the Child Bereavement Charity, is hosting a regional conference on responding to the sudden death of a child or young adult. The third national conference on bereavement care is being organised by the Trust and has key note speakers from the DoH, National End of Life

Care programme and Dying Matters Coalition. The two day conference aims to attract 400 people to highlight the work the Trust has led in bereavement care. A National Working Alliance for Bereavement is being launched at the conference. This National Alliance was co-founded by the Trust's head of bereavement services and mirrors the Birmingham Bereavement Project. It is hoped that the Alliance will provide a collective and cohesive voice for bereavement.

The Trust's charity funded the creation of a new bereavement suite at Good Hope Hospital that was formally opened by Rt Hon Andrew Mitchell, Member of Parliament for Sutton Coldfield, Secretary of State for International Development. This will provide improved facilities for those using the bereavement services.

E-rostering

Healthroster, the Trust's e-rostering system, began implementation in June 2010 and has made significant progress in 2011/12. It is now rostering 3,000 staff. Primarily it is being rolled out to nursing and midwifery staff to ensure that rosters are not only being produced within budget but are also safe, effective and fair for staff. It is also being used in corporate areas to improve attendance reporting.

Four main rostering key performance indicators (KPIs) - unused hours, unfilled shifts, additional shifts and annual leave - are being prioritised and these are being monitored and reviewed with individual areas on a weekly basis by the senior nursing team.

Healthroster is linked with Employee Staff Records and to-date 2,900 staff are being paid electronically from the rosters, removing the paper processes. Also linked to Healthroster is Roster Central, a performance dashboard highlighting problem areas on the rosters, which is beginning to be used by Trust management. Employee Online is available to all staff, enabling them to make shift and annual leave requests, view their paid off duty enhancements and monitor their annual leave.

The project team has been extended for a further two years in order to complete rollout to all nursing and midwifery staff. Plans are also in place to train 'super-users' in order to roll out the system to corporate areas.

Workforce Report

Equality and Diversity

The Trust has a dedicated diversity manager to provide proactive advice and guidance on all equality matters including disability and progress. This is monitored through the diversity steering group, chaired by the chief nurse. The group has an established set of key performance indicators that it regularly reviews.

The Trust has published its equality schemes which include its approach to disability and support for people with disabilities.

The ethnic mix within the Trust's workforce remains fairly stable with just over 25% of those who have recorded an ethnicity quoting a black minority ethnic (BME) group. This corresponds quite closely to the ethnic mix in the combined areas of population surrounding each hospital site. The BME representation at senior levels remains relatively low at 13%.

The table below shows the current breakdown of the Trust's workforce by age, ethnicity, gender and disability and compares with the previous two years. All staff are automatically made members of the Trust unless they choose to opt-out and no-one to date has done so.

	Staff 09/10	%	Staff 10/11	%	Staff 11/12	%
Age						
0-16	4	0.04	0	0.00	0	0.00
17-21	235	2.48	149	1.60	45	0.43
22+	9231	97.48	9438	98.40	10518	98.40
Ethnicity						
White	6213	66.43	6315	65.87	7069	66.90
Mixed	80	0.86	119	1.24	133	1.27
Asian or Asian British	938	10.03	1118	11.66	1219	11.55
Black or Black British	588	6.29	600	6.26	654	6.19
Other	403	4.31	328	3.42	359	3.39
Not given	1131	12.09	1107	11.55	1129	10.70
Gender						
Male	1861	19.90	1968	20.53	2069	19.80
Female	7492	80.10	7619	79.47	8494	80.20
Recorded Disability	163	1.74	167	1.74	216	2.25

The increase in staff during 2011/12 largely reflects the transfer of community services staff from Solihull Care Trust and Heart of Birmingham Primary Care Trust into the Trust in April 2011.

The Trust has an equality in employment group which will continue to focus on areas requiring action. The main priorities during 2011/12 have been:

- Continuing development of the Step Into Work Initiative and the apprentice programme
- Development of the Female Consultants into Leadership project
- Incorporation of disability training into an online module through the system known as VITAL.

Further activities are planned to include the development of succession planning for consultants and implementation of a talent management programme.

Annual Staff Survey

The Trust began undertaking local staff surveys in 2006 and has continued to undertake local surveys each year since. They focus specifically on how staff are feeling in terms of working environment, leadership and management and around areas such as recognition and pride.

Engagement has been measured since 2007, with Ipsos MORI supporting the process since 2008. Engagement rates dropped across the Trust in 2009 but began to rise again in 2010. The 2011 local survey results showed an increase of 5% in staff engagement. It is believed that the rates dropped slightly in 2009 as a result of a number of factors. The merger with Good Hope had taken place two years previously and a number of changes to structures were taking place at this time. There were also a number of changes in leadership and this undoubtedly impacted on staff's perceptions at work. The Trust intends to introduce twice-yearly internal pulse surveys in 2012 to enable a continual measurement of local engagement and staff morale.

Alongside the local survey, the Trust takes part in the CQC National Staff Survey every year.

Summary of performance in National Survey 2011

The Trust was ranked as follows in terms of its top and bottom scores as compared to other acute trusts.

Top Four Ranking Scores

Area	Trust score	Other acute trusts average
Percentage of staff appraised	89%	81%
Percentage of staff appraised with personal development plans in place	79%	79%
Percentage of staff reporting well structured appraisal	41%	34%
Percentage of staff receiving work related training and development	78%	78%

Bottom Four Ranking Scores

Area	Trust score	Other acute trusts average
Percentage of staff having equality and diversity training	19%	48%
Percentage of staff who report effective team working	3.63%	3.72%
Percentage of effective action around violence and harassment	3.46%	3.58%
Percentage of staff experiencing harassment, abuse or aggression from patients or relatives	17%	15%

The Trust has not seen significant change in its results since 2010 and recognises that there is still further work to undertake to improve the perceptions of its staff. It has, however, seen minor improvements in its scores around the following areas:

- Quality of job design
- Work pressure felt

- Effective team work
- Opportunity for development
- Well structured appraisals
- Errors witnessed
- Perception of employer action around violence and harassment
- Health and wellbeing
- Communication between senior management and staff
- Ability to contribute to improvements
- Job satisfaction
- Intention to leave
- Recommend the Trust as a place to work or be treated
- Motivation
- Equal opportunities for progression
- Discrimination

The Trust's equality and diversity training programmes commenced in 2006. The diverse range of programmes has been expanded to meet the Equality Delivery System, CQC and relevant equality and diversity directives and legislation. The equality and diversity workstream is strategically led at Board level by the Chief Nurse, who has responsibility for this area of work and who monitors performance in line with strategic and regulatory indicators and standards.

The equality and diversity training programmes are evaluated through patient surveys. They include:

- Deaf/Deafblind Communication Awareness
- Deafblind UK
- Disability Equality
- Equality Impact Assessment
- Human Rights – Trust-wide
- Learning Disabilities Awareness
- Learning Disabilities "Hot Spot" sessions for individual Trust departments/teams
- Safeguarding
- Recruitment and Selection training
- Trust Junior Doctor Induction programme
- Trust Healthcare Assistant Induction Programme
- Corporate Trust Induction (all staff)
- Facilitation as required at individual Trust department's Study Days
- Managing Diversity
- Cultural Awareness/Muslim Awareness
- Customised equality and diversity sessions as required
- Implicit in the Trust leadership programme

It is possible that staff may not associate some of the above programmes with being 'equality and diversity training' because whilst this is implicit in programme curricula they often are not explicitly labelled as such, for example recruitment and selection training for managers.

The Trust is committed to continually improving staff morale and supporting its staff to deliver the best possible service to its patients and this year is re-establishing its Improving Working Lives Steering Group to engage key stakeholders in driving forward improvements for staff.

The full results of the National Staff Survey can be found on the CQC website - www.cqc.org.uk.

Sickness Absence

During 2011/12, the Trust has continued to take steps to improve the health and wellbeing of the workforce and to reduce the levels and cost of sickness absence. Sickness levels have reduced for the third year in succession and are currently running at 3.89% for the year. The table below shows the year-on-year progress.

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year
2010/11	3.92%	4.06%	4.16%	4.29%	4.12%
2011/12	3.76%	3.85%	3.99%	3.95%	3.89%

In addition, the Trust has effectively managed its employment relations, working constructively with staff side on a range of issues. These have included industrial action; the development of employment policies; introduction of effective cost-control arrangements and introduction of a new terms and conditions framework for on-call, effective from 1 April to ensure effective management of services outside of normal working hours.

Workforce Development

The Trust launched its workforce development strategy 'Learn/Lead' in 2009/10 and during 2011/12 the Faculty of Education has delivered over 1,000 courses aimed at supporting workforce planning, quality, safety and efficiency. The Faculty introduced a new workforce diagnostic and design service this year to support directorates with workforce planning and redesign aligned to national and local Quality, Innovation, Productivity and Prevention (QIPP) programme agendas.

The Faculty has delivered an extensive programme of mandatory and non-mandatory education and training and has introduced a portfolio of in-house academic modules and courses. In-house academic provision is directly linked to Trust priorities and has reduced the unit costs of academic modules by at least half. This has enabled broader access to higher education for staff. Developed 'in-house' and platformed on the Trust's MOODLE site, on-line mandatory training has been launched, providing flexible access to mandatory training for all staff.

The Trust continues to host one of the largest health apprenticeship programmes in the West Midlands. These apprenticeships have developed the skills and qualifications of existing staff as well as bringing new people from the Trust's communities into employment through an innovative Step Into Work programme. This programme has received national recognition winning both a national HR Magazine Excellence Award for best workforce diversity strategy and a Health Service Journal (HSJ) award for workforce development. This year the Trust has doubled its provision of work experience placements for local youngsters providing over 642 full placements.

The Faculty has continued to work with the corporate nursing and midwifery teams to roll out an innovative on-line programme called VITAL4Care. Over 2000 nurses have completed the

programme, which focuses on the fundamentals of safe practice. VITAL for midwives and paediatric nurses commenced in March 2012. VITAL for doctors is in development and it is planned to link this to a new programme of enhanced support for junior doctors. VITAL won the 2011 Nursing Times Award for Patient Safety.

More information on the services offered by the Faculty can be found at www.heftfaculty.co.uk.

Other Activities of the Trust

Corporate Affairs

The corporate affairs directorate has focused on developing the reputation of the Trust and patient-led initiatives in 2011/12.

Positive Media

In the last year the communications team generated 910 positive pieces of media coverage, which averages to 76 items per month and is 589 more than the closest competitor trusts combined. Total opportunities to see (OTS) coverage - the number of people likely to have read or seen a piece for the year - is estimated at 266,053,436. The communications team aims to get at least one key message in every press release issued and in the media. This is to promote the Trust's 'safe and caring' values in serving the local community, as well as highlighting innovation, improvement of facilities and providing expert commentary.

Positive coverage highlights included a feature series in The Guardian covering elderly care, obesity and emergency care at Heartlands Hospital; wide reporting of the opening of the new Good Hope ward block; and glowing reports of the Trust's enhanced in-house training (including an article in The Times). There were also various television features, including four departments taking part in different episodes of Channel 4's Embarrassing Bodies. Coverage in various trade publications included the launch of the new nurse badge in Nursing Times and Nursing Standard.

In the last 12 months followers of the Trust's Twitter account, @heartofengland, have increased by 1,100 to reach 1,500. A total 1,200 tweets supporting numerous initiatives and departments were sent. This year we have taken a more active approach, with campaigns covered including the national diabetes month awareness tweetathon, a night at the A&E, patient services 'tell us about your tweetment', come dine with me across sites and Trust membership events. Chief Executive, Mark Newbold is raising the profile of the Trust by encouraging an open conversation and more public engagement through his blog and Twitter profile @drmarknewbold.

The communications team enjoyed triple award winning success at the Chartered Institute of Public Relations PRide Awards 2011. *Heart and Soul*, The Trust's members' magazine, won the external newspaper or magazine category; staff magazine, *Heartbeat*, won the gold award in the internal newspaper or magazine category; and a silver award was won in the internal communications category for the campaign *Working together: A discharge in time saves*

another patient waiting in line.

Patient Experience Reports

Using the experiences of patients to drive continual improvements in services remains a top priority for the Trust. The realignment of complaints and the Patient Advice & Liaison Service (PALS) to form Patient Services in 2011 complements the real-time monthly feedback from 800 patients. Enabling trends to be quickly identified and, where necessary, appropriate action to be taken, the focus is on learning from the experience of users and working with local communities to further enhance the services provided. A report summarising the patient experience data and themes is circulated widely through the organisation each month. This is displayed prominently on the wards and in clinical areas for patients and members of the public to view and scrutinize.

Compliments

Compliments are recorded and monitored by the Survey Team on behalf of the Trust. A selection of comments received is summarised below:

“Excellent communication between nurses and doctors ... always treated with respect and I felt confident I was in safe hands.” (Outpatient – May 2011)

“All of the staff was very polite, doctors nurses and cleaners. The staff spoke on the same level as myself which is very important – none of them talked down to me” (Inpatient – July 2011)

Quality Improvement Comments

The Trust also receives a considerable number of quality improvement comments from patients and relatives via the Patient Experience Survey (PES). This survey is sent to 200 random patients each month and all of the comments are recorded in a database and fed back to relevant teams.

Fundraising

There has been a great deal of progress in the activity of the fundraising department during the past 12 months which has generated both an increase in awareness and in donations to the charity. Media coverage has been increased which has prompted more members of the local community to raise funds for specific areas within the hospitals. A new fundraising database has been installed which will help the charity communicate more effectively with its supporters and stakeholders and record details of donations made. The focus of the fundraising department for the coming year will be on raising vital funds for equipment to support the services that the Trust offers and help improve the patient experience.

Volunteering

Changes made within the volunteer service over the past 12 months have begun to take effect during the last three months of the financial year. Through changes to the recruitment process the average time taken from enquiry to volunteering is now 4-6 weeks and the number of active volunteers has increased to over 700, an increase of 15% in three months.

The volunteering service is essential to provide support to both patients and staff in clinical areas as well as helping patients and relatives finding their way around the hospitals, giving an excellent first impression of the service. Specific projects are being supported such as specialised social intervention by volunteers for inpatients suffering from dementia and a buddy system for newly diagnosed renal patients.

Information and Communications Technology (ICT)

The ICT Directorate has seen a number of major projects coming to fruition in the last year.

Medical Records Scanning

The Trust commenced scanning of deceased patient medical records in April 2011 and moved to scanning of active patient records in the summer of 2011. 180,000 medical record volumes have been scanned to-date, which is approximately 50.5 million images. The duration of the scanning contract is five years.

Data Capture and Patient Tracking Systems

Significant progress has been made with two key data capture and patient tracking systems:

- The system development team (patient administration) is leading the reconfiguration of the UltraGenda system to reflect accurately the availability of staff and equipment and represent departmental services. Re-design takes advantage of advanced UltraGenda features, including partial booking, to improve the management of appointment capacity. The sleep clinic and rheumatology were among the first departments to benefit from these features and a programme is now underway to redesign all departments using the same methodology.
- The Dendrite clinical data capture systems have been implemented extensively in areas of oncology and cardiology, with development for other areas including anaesthetics, critical care, colorectal nursing, paediatric diabetes and theatres.

As part of being an innovative organisation, there are always new programmes being delivered. There are a number of key developments planned for the next 12 months. A programme has been set up to extend the existing Patient Management System (PMS). The current system, implemented in November 2012, provides information to track how long patients have been waiting for consultation or procedural appointments. The extension will include inpatient activities.

Improved Patient Care and Efficiency

The ICT team has supported improved patient care and safety across the Trust, with system developments that provide better data on safeguarding, tissue viability, infection control, VTE, and social care referrals.

In addition, the team has supported improvements in the efficiency and effectiveness of staffing across the Trust and with other healthcare partners with the implementation of the following systems:

- electronic requesting for endoscopy diagnostic services
- electronic referrals for multi disciplinary team services
- electronic patient handover notes
- patient status at a glance
- nursing and midwifery safe staffing system
- piloting of electronic document transfer of prescriptions to GPs in 2 surgeries
- IE IT Power Management system
- iBleep system across Heartlands and Solihull sites, which was already implemented at Good Hope
- Docobo telehealth devices to enable patients to manage and monitor their own condition with support remotely from health professionals
- SystmOne at Marie Curie Hospice, Solihull (palliative care) and 25 community services.

In addition, the Trust is working with Hospedia to replace 'end of bed' patient entertainment systems with larger, higher resolution touch screens. The new rollout will also look at piloting clinical access to Trust systems and the development of a hospital channel with patient specific information.

Customer Service

In line with the Trust's requirement for improved efficiency and customer service, improvements have been made in the performance of the three services teams. The ICT Service Desk has improved the number of calls resolved in the same day and within one hour. These improvements have been made with an increased number of calls being logged by the team. The Trust switchboard has decreased the ring time per call from an average of 34 seconds to 20 seconds over the year, despite an increase in the number of calls. The department target is now set at 15 seconds. The medical records department has continued to achieve 99% record availability for outpatient clinic attendances.

Improving Information Security

The technical services team has been working on developments to improve information security and communication across the Trust. This includes the replacement of over 300 PCs and improved wi-fi resilience to support the use of mobile technology. A number of changes to email, antivirus and web filtering tools have improved the Trust's system resilience.

ICT Directorate Awards 2011/12

The improvements supported by the directorate over the last 12 months have also been recognised nationally. The Trust was given the Healthcare Management and Patient Experience Network award for the nursing metrics system and the DoH Information Standard for the Patient Advice and Information Database (PAID), making the Trust's system one of the few in the country to achieve this standard. Also, the Trust's ICT service desk has been awarded national accreditation status by Connecting for Health.

Future Plans

Further improvements will be made to clinical systems by implementing a new clinical portal (Concerto) and migrating the current patient administration system (HISS) functionality to a new, robust system. This is alongside development of clinical forms to capture information electronically, which supports the Trust's aim to reduce paper usage and align to the medical records scanning project.

The ICT team is supporting the Trust's desire for more integrated healthcare by improving IT infrastructure for community services staff, enabling more mobile work, and improving integration between GPs, community services, Marie Curie Hospice and acute services around access to patient information. In addition, there is increased deployment and use of telehealth devices to enable patients to monitor their own health and allow health professionals to monitor patient vital signs remotely.

Over the next 12 months there are plans for a deployment of touch screen, self-check-in devices which will improve patient access, reduce waiting times and enable more staff resource to be spent treating patients.

This is all set against a background of improving the hardware that supports the Trust's IT systems, with the aim of updating systems, providing more support for disaster recovery and being more efficient.

Research and Development (R&D)

Significant progress on implementing the Trust's research strategy has been made in 2011/12. Through partnership with the Universities of Birmingham, Warwick and Aston and other collaborators, the research-active staff across the Trust have worked hard to exceed the level of patient recruitment into clinical trials of previous years. This means that more patients and staff have been given the opportunity to inform the development of new medicines, devices and other interventions which improve patient care across the NHS both now and in future. Over 2,800 patients have participated in nationally co-ordinated clinical trials alone. During the 12 month period the majority of research projects were conducted in the areas of cardiology, diabetes, cancer, paediatrics and respiratory medicine.

Following the appointment of a portfolio manager to support the development of funding applications and associated collaborations, an increase in grant funding secured for 2012/13 and beyond has occurred. Importantly, this not only increases the level of grant income coming into the Trust and the partner universities to conduct research at our hospitals, but also involves the attraction of a number of junior and senior, up to consultant level postholders, who join the Trust's research infrastructure.

Other key achievements of the year include the appointment of Professor Donald Milligan to the role of director of research and development. He will support the further implementation of the research strategy and provide clinical leadership to the academic community from April 2012.

Groups and organisations, including other trusts, patients and the local community have had the opportunity not only to attend forums, workshops and seminars hosted in the MIDRU building on the Heartlands Hospital site, but also keep up to date on Trust-wide research

activity through the regular MIDRU newsletter publication, via the MIDRU website blog (www.midru.com) and twitter feeds. This year's highlights include Professor Fang Smith's appointment to the University of Birmingham, Professor Mehanna's new head and neck centre, and Dr Indranil Dasgupta's pioneering hypertension therapy. All these initiatives contribute to an increased infrastructure through which research can be undertaken. The directorate has also shared the ways in which it is further supporting the Trust to grow its research capacity and capability through its excellent research management and governance service and through research training and education initiatives.

In 2012/13, new research appointments will be made jointly with partner universities in infectious diseases, obstetrics, public health and diabetes and the directorate looks forward to growing its infrastructure to undertake research in these areas to improve the care provided to patients and the wider community.

Hollier Simulation Centre

The Hollier Simulation Centre is a leading educational facility based at Good Hope Hospital. Utilising state of the art technology, the latest mannequins and specialist techniques it provides a safe environment to train student doctors and healthcare professionals in key elements of patient safety. The Board has decided to offer this training to all relevant staff.

Since opening in 2009 the centre has trained in excess of 3,000 healthcare workers in courses designed to meet the needs of many different student groups. Student feedback continues to be outstanding and as the centre's reputation grows demand from outside the deanery has developed. This year will see the first delivery of training to Foundation Year 2 doctors from Stafford.

New programmes continue to come on stream. A very successful pilot simulation course was held with the physiotherapy department at Good Hope Hospital. The aim is that this course will now be developed as an inter-professional, multi-disciplinary training programme for nursing staff, physiotherapists and doctors at Good Hope.

Whilst the programmes include training in clinical competence for all healthcare workers, a key component is the understanding of how they impact patient safety. The programmes include clinical skills, training in teamwork, team structure, situation monitoring, communication and leadership. Students develop an awareness of how errors occur in healthcare organisations and subsequently how to learn from them to avoid error in the future.

Good Hope Hospital is working with the centre to implement the acclaimed TeamSTEPPS (strategies and tools to enhance performance in patient safety) programme. Originally developed by the American military, this programme aims to improve patient care, quality, safety and throughput.

The centre continues its close working relationship with its partners at the Birmingham Medical School and the College of Clinical and Experimental Medicine. It has hosted two inter-professional learning days and further dates are planned.

Demand from industry for access to these facilities continues to grow. In a pilot scheme with medical devices company, Medtronic, a course was developed to enhance the skills of technicians programming implantable cardioverter defibrillators, the mannequins providing a

near real environment to simulate the effect of programme changes. This course will be rolled out in 2013.

Interest from overseas was highlighted by the visit of the Deputy Minister of Health from Georgia to the centre to understand its capability. Negotiations are now taking place to help advise the Georgian Government regarding simulation in healthcare.

Finally, this year saw the centre present four research papers both nationally and internationally. One of our GP faculty members, Dr Sandeep Randhawa won the prize for best presentation and scientific paper at the Association of Simulation in Healthcare Practitioners' Conference in Cardiff.

More information about the centre can be found at www.Hollier-Simulation-Centre.co.uk

Information Governance

Confidentiality - Serious Untoward Incidents

DoH guidance states that incidents relating to an actual or potential breach of confidentiality involving person identifiable data, including data loss, should be considered as serious untoward incidents (SUI) and graded 0-5.

Level 0 incidents are not required to be reported. Level 1 and 2 incidents are reported as statistics and the following table details those incidents for 2011/12.

Summary of Personal Data Related Incidents

Nature of incident	Total
Loss of inadequately protected electronic equipment, devices or paper documents from secured NHS premises	1
Loss of inadequately protected electronic equipment, devices or paper documents from outside secured NHS premises	1
Insecure disposal of inadequately protected electronic equipment, devices or paper documents	1
Unauthorised disclosure	2
Other	1

No serious incidents were reported in relation to personal data.

Freedom of Information and Data Protection Requests

The safety and governance directorate processed 410 requests for information in 2011/12 of which 340 were Freedom of Information requests and 70 requests related to data protection.

Information Governance Toolkit

The Connecting for Health information governance toolkit sets out standards for information governance systems and processes in NHS organisations. NHS organisations are required to carry out self-assessments of their compliance against the information governance requirements and submit evidence on an annual basis to substantiate this assessment. Assessment grading ranges from 0 (not compliant) to 3 (fully compliant) and the Trust is required to attain at least Level 2 for all of the 45 standards. At the time of submission in March 2012, the Trust did not achieve Level 2 for seven standards and has developed improvement plans to meet these standards. These will be monitored on a quarterly basis to ensure progress.

Sustainability Report

The Trust aims to manage the social and environmental impact of its operations, by contributing towards a healthy community, thriving local economy, and clean environment. Strong environmental performance also presents a compelling business case. Energy, waste and water reductions have the potential to deliver significant cost savings. The economic recession impacts upon all NHS funding, reinforcing the case for strong environmental performance.

The Trust's low carbon vision is: **'Making sustainability mainstream'**. The long-term goal is to engage all patients, visitors and staff to contribute towards a more sustainable future.

In 2008/09, the Trust set the target of a 25% reduction in CO₂e (e = 'equivalent') emissions (CO₂e) by 2013/14, with a further reduction of 20% by 2018/19. As a member of the NHS Carbon Management Programme, the Trust is being supported in achieving the first goal by the Carbon Trust, which has undertaken surveys, made recommendations and helped to develop plans for carbon reduction.

Through participation in the five-year NHS Carbon Management Programme, the Trust aims to:

- Reduce the environmental impact of our operations
- Reduce energy and water costs
- Increase awareness of the potential direct impact of climate change upon the Trust
- Contribute to our good corporate citizen agenda.

Some significant energy-efficiency measures have already been implemented and the Trust aims to build upon these to create even more energy-efficient estates, procurement, transport and waste management services to support the core business of healthcare provision.

The Trust will continue to move towards more sustainable healthcare operations by:

- Creating a much more energy-efficient estate
- Developing partnerships with external organisations
- Engaging with staff to capture their innovative intellectual capital
- Contributing to the Good Corporate Citizen agenda
- Taking practical actions to ensure objectives are achieved.

2007/08 was the Carbon Management Plan 'baseline' year, against which progress is measured. In that year, our carbon emissions were calculated to be:

Buildings (79.5%)	Trust buildings (204,974m ²) consumed 67 GJ/m ³ compared to a typical benchmark of 61 GJ/m ³ and a best practice of 55 GJ/m ³ . CO ₂ e due to buildings are 35,707 tonnes CO ₂ e.
Commuting (12.9%)	70% of 10,000 staff drove a car to work alone, 13% took the bus or train, 10% car shared, 7% walked or cycled. Total commuting emissions accounted for 5,789 tonnes CO ₂ e, equivalent to 0.58 tonnes per employee.
Waste (6.9%)	57% of Trust waste by weight was sent to landfill, 37% was incinerated and 6% was recycled. Total CO ₂ e associated were 3,085 tonnes.
Transport (0.4%)	Fleet travel contributed 179 tonnes of CO ₂ e. This has been calculated from fuel consumption, as mileage data is not currently recorded.
Water (0.3%)	The Trust consumed 321,507m ³ water, equivalent to 130 tonnes CO ₂ e.

Over the last few years the Trust has invested in a number of high-value carbon-saving projects including:

- Combined heat and power (CHP) plant at Heartlands and Solihull
- PC inactivity shutdown software installed

A combined heat and power engine at Good Hope Hospital is planned for completion within 2012/13. This will allow the Trust to further benefit from energy and carbon reductions similar to that achieved at Solihull and Heartlands Hospitals.

Following an advertisement in the Official Journal of the European Union, the Trust has received expressions of interest from a number of potential commercial organisations to help the development and implementation of a long-term, single energy management project. This will run for several years and include a number of technologies to improve the sustainability of operations, and generate financial savings, which could be in the region of £10 million over a 15 year period.

The kinds of technologies the Trust expects to be harnessing include energy efficient lighting, improved lighting and heating control, improved metering, increased impact of insulation, improved efficiency of chillers, voltage optimisation and variable speed drives. In addition, the Trust plans to run an effective energy awareness campaign.

Key Areas of Focus

The environmentally sustainable priorities are to:

- Establish a long-term commercial partnership to deliver guaranteed savings in carbon emissions and energy costs
- Procure and install energy-saving plant and equipment to create a much more energy-efficient estate
- Improve sub-metering across all sites to identify poor energy performance and develop remedial plans
- Make sub-metering mandatory for all new building developments
- Engage with patients, visitors, staff and the local community to improve energy, water and waste awareness
- Improve recycling to still further reduce the environmental impact of Trust operations
- Further develop energy and environmental policies to help patients, visitors and staff to adopt more environmentally-friendly practices, both within Trust premises and in their homes, to magnify the environmental impact of our improvements to sustainability within the Trust.

Historical Performance and Future Progress

The Trust regularly monitors progress against clear targets for achieving more environmentally sustainable operations with a focus on both carbon and financial savings.

In the period 2008/09 – 2011/12, the Trust has saved approximately 28,000 CO₂e. This has saved almost £3million of expenditure on energy.

Finance Review

The Trust's accounts have been prepared under a direction issued by Monitor and are in line with the forecasts produced at the monthly Finance and Performance Committee. This Committee is chaired by a non-executive director and rigorously reviews the monthly financial performance of the Trust and performance against national, Monitor and locally-set key performance indicators.

In 2011/12 the Trust generated an operating surplus of £6.7 million. Even in the current difficult financial climate the Trust continues to plan to generate surpluses so the recent capital investments can continue to enhance the environment for the Trust's patients and staff.

Income

The Trust's total income has increased by almost 8% in year to £607.1 million against a backdrop of pressure to reduce activity levels in hospitals and caps included in the tariff that has reduced income in some areas. Approximately £30 million of this increase in income is

due to the inclusion of community services income contracts that were brought under the control of the Trust from 1 April 2011 following the national transforming community services agenda.

For the income that has historically been within the Trust, activity has grown in almost all patient classes, as shown in the table below, except for emergency/acute medical unit (AMU) and has resulted in a modest over-performance against PCT local delivery plans.

Attendance numbers by patient class	2011/12	2010/11
Outpatient	833,194	787,498
A&E	239,210	236,036
Emergency /AMU	88,096	89,495
Day case	71,858	71,508
Elective inpatients	16,758	16,276
Maternity	33,482	32,576

In a changing environment where the PCTs have moved into clusters in preparation for clinical commissioning groups, the Trust has worked hard with the local PCTs to continue previous work on keeping demand for services within a manageable and affordable level. This preserves the financial sustainability of the local health economy. This includes using ratios on activity levels such as new-to-follow-up ratios, consultant-to-consultant referral and procedures of low clinical value. As with previous years, this collaborative approach has resulted in the Trust and PCTs agreeing on an income value for the 2011/12 year and a contract was signed for the 2012/13 year in early April.

The level of income reported as private non-NHS fee paying income earned has remained static at £0.5 million. This is 0.10% of total patient care income, which is well within the regulated upper limit of 0.20%.

Expenditure

The Trust started the year with a cash-releasing efficiency savings target, also known as cost improvement programme (CIP), of £23 million. Each of the operational groups set out plans to achieve their portion of the CIP target which were reviewed and challenged by the Finance and Performance Committee and the CIP Board. Delivery and progress against the targets has been reviewed regularly and has resulted in 75% of the target (£17.8 million) being achieved through a variety of measures such as additional discounts negotiated by procurement specialists, changing resourcing requirements and redesigning processes.

The Trust has complied with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector information guidance.

Capital Expenditure

In 2011/12, £18.7 million was invested in the Trust's facilities, improving the equipment, infrastructure, facilities and estates at the sites. Following the successful completion of Ward Block 1 in 2010/11 the cross site strategy team obtained approval to spend approximately £20 million on three large projects and £4.9 million of this was spent in 2011/12. A significant refurbishment of A&E at Good Hope began in December 2011, as did the building of two new theatres and a day case unit on that site. Both projects are due for completion in the 2012/13 year. A significant extension of the pathology building, partly funded by the Health Protection Agency (HPA), commenced in November 2011 with an expected completion in April 2012. This extension is part of wider changes within the pathology department led by the clinical director and operational director.

The A&E scheme at Good Hope involves redesigning and refurbishing the department within its current footprint to allow for the flexible use of major and minor cubicles, which will allow a more effective and efficient use of resources. This is planned to offer an additional three cubicles, improved ambulance drop-off points, improved patient flow, and greater staff safety, therefore improving the patient and staff experience. This will ensure the Trust is a provider of choice, and an employer of choice.

The Good Hope theatre scheme sets out to replace two of the seven existing theatres, enabling two laparoscopic day case theatres to be added to support more day case work, and increase the total capacity.

At Heartlands the refurbishment and extension of the current pathology building is underway and is in response to the national strategy of service rationalisation, creating a hub with sufficient space to house a central automated laboratory to bring together specialised testing. This will allow the Trust to provide an enhanced service and to remain a premier provider of pathology services, delivering increased total income at reduced per unit cost.

There were also plans to invest in an ambulatory care and diagnostics (ACAD) centre on the Heartlands site. The scope and expected cost of the project were reviewed in detail in the autumn of 2011 and at the December Trust Board meeting it was decided to cease this project. At this stage £1.8 million costs had been invested in redesigning and planning. This learning will be used to reshape the way in which the Trust provides outpatient services in the future. The Executive Management Board and the Trust Board are currently considering and prioritising the important projects across the Trust sites against the expected resources that can be allocated to capital over the next three to five years.

Asset Valuations

The Trust had performed valuations of its estate in previous years. As at 31 March 2012 the market indices suggested that there had not been an impairment of assets and so the Finance and Performance Committee agreed that it was not necessary to have a valuation. In line with the Trust's accounting policies, a full valuation will be performed at the end of the next financial year (31 March 2013).

Treasury Management Activity

Cash balances as at 31 March 2012 were £97.2 million and balances continued to be well managed throughout the year. Although base rates have remained low all year the team responsible for treasury management has sought to manage cash well and negotiate good rates with banks to generate £1.2 million of interest receivable in the year. The Treasury Management Committee, chaired by a non-executive director, has met four times in the year to review the performance of the interest earned. It has also reviewed and updated the Trust's Treasury Management Policy to reflect the changing credit ratings of the banking institutions. The cash balances are strong at the year-end as they are required to support the ambitious capital investment programme.

The Trust continues to use the Government Banking Services (GBS) arrangements as well as using commercial banking institutions for term deposits. At the end of the year all cash was held in GBS accounts.

The Trust does not have a working capital facility.

Counter Fraud

During the year the Trust has worked with the counter fraud specialists at the newly appointed internal audit provider (KPMG) to promote awareness and reporting of fraud. Pro-active training sessions, policy reviews, pro-active reviews and other work have been completed. The National Counter Fraud Assessment Team awarded the Trust a score of 3 (where the highest available score is 4) for the 2010/11 year in late 2011. The Trust will implement the remaining recommendations in the 2012/13 year. The assessment scheme has been suspended whilst the central organisation, now called NHS Protect, performs a review and trial of a revised process. The Trust has expressed an interest in being a pilot site.

Report on Monitor's Risk Ratings

In line with Monitor's Compliance Framework, in May of every year, the Trust Board makes an Annual Plan submission to Monitor detailing the financial performance for that year by quarter and also makes statements about the expected level of governance and mandatory services for that year. Monitor then assesses the Trust's expected performance levels and issues a financial risk rating, a governance risk rating and a mandatory services risk rating. At the end of each quarter the Trust makes a submission to Monitor detailing the financial performance and governance levels at the Trust and again Monitor assesses these returns and issues a financial, mandatory services and governance risk rating.

Explanation of Risk Ratings

The financial risk rating is a weighted average of the following four factors:

- Achievement of plan – measures how well the Trust is meeting its forecast surplus at Earnings before interest, taxation, depreciation and amortisation (EBITDA) level
- Underlying performance – measures the EBITDA (%) level of the Trust

- Financial efficiency – measures the return on assets and the income and expenditure surplus margin (%)
- Liquidity – measures the number of days operating costs the Trust holds in cash.

EBITDA is the measure used by Monitor to measure the Trust’s underlying ability to produce a surplus on its operations. It is calculated as income less expenses excluding finance charges (public dividend capital and interest) and cash required to fund future working capital and investments (depreciation and amortisation). The costs included in this calculation are effectively the direct and indirect costs associated with treating patients, such as staff costs, clinical supplies and non-clinical supplies and costs like energy, audit costs and software costs.

The EBITDA margin or percentage measures the extent to which the cash operating expenses of the Trust use up revenue. It is calculated as EBITDA divided by total income. The highest score available is 5 and the lowest score is 1.

The governance risk ratings available are red, amber-red, amber-green, and green. There are a number of factors that are used to determine the rating, including the legality of the constitution, having a representative membership, having appropriate Board structures, having effective risk and performance management, co-operating with other NHS bodies and local authorities and meeting set standards on key clinical areas and achievement of national core standards.

The detailed explanations for these calculations can be found in the Compliance Framework which is available on Monitor’s website –

www.monitor-nhsft.gov.uk/our-publications/browse-category/guidance-foundation-trusts/mandatory-guidance/compliance-framework-

Trust Performance

The table below details the financial and governance risk rating for each quarter of the past two years and the expected year end position in the Annual Plan.

	Annual Plan 2011/12	Quarter 1 2011/12	Quarter 2 2011/12	Quarter 3 2011/12	Quarter 4 2011/12
Financial risk rating	4	3	3	3	3
Governance risk rating	Green	Amber-red	Amber-red	Amber -red	Amber- red

	Annual Plan 2010/11	Quarter 1 2010/11	Quarter 2 2010/11	Quarter 3 2010/11	Quarter 4 2010/11
Financial risk rating	4	4	4	4	3
Governance risk rating	Green	Green	Amber-green	Green	Green

Financial Risk Rating

When the Annual Plan was set in May 2011 it was expected that the Trust would be green for governance and that a level 4 financial risk rating would be achieved.

The planned surplus for the 2011/12 year of £11.1 million was agreed by the Trust Board in May 2011 with an exceptionally challenging CIP target. Because some of this CIP has not delivered in year and there have been some additional costs of delivering additional activity, this surplus level has not been achieved, with a final surplus of £6.7 million being achieved. The Trust has taken the relevant steps to implement additional cost controls. As the actual surplus is lower than the planned level, the Trust has scored a 3 for financial risk rating rather than the planned 4 rating.

Governance Risk Rating

The Trust consistently meets the majority of the governance targets set. At the beginning of the year there were concerns about the Trust's ability to meet the A&E 4 hour access target so the governance risk rating in the annual plan was amber- green. Meeting this target has been a huge focus for the Trust across the year and the A&E target was achieved for the first time across all 4 quarters of the year.

In quarter 1 the Trust scored amber-red because it did not hit the year-to-date trajectory for MRSA and C.difficile. The full year target for both these infection control areas was particularly low because rates had decreased significantly in previous years; for example the full year MRSA target was 7. In quarter 1 there was a cluster of cases of MRSA which meant that the target was breached in that quarter and the incidence of C.difficile was higher than the trajectory to hit the full year target of 131.

In July 2011 there were further cases of MRSA which meant that the year-to-date trajectory was met. Although the number of cases of C.difficile each month had decreased, this was not sufficient to meet the year-to-date target and so both targets were missed in quarter 2 resulting in an amber-red rating. In addition, in quarter 2 a CQC visit resulted in outstanding actions.

In quarter 3 there were no cases of MRSA but because of cases previously in the year the year-to-date target had still been exceeded. C.difficile was still above the cumulative target and the action plan to address CQC actions was still being worked through. These three factors resulted in another amber-red rating.

In quarter 4 the Trust met the full year target for C.difficile. However, it was extremely disappointing that after 250 days without an MRSA case, two cases, including one contaminant, were detected in March 2012, meaning that the full year result of 8 was one case above the target so the target had been missed. In addition, quarter 4's 62 day wait cancer target was not met, although the full year target was achieved. There were capacity constraints in the system in January 2012 and although the target was met in February and March, not enough additional activity was performed to make up for the underperformance in January. Therefore, in quarter 4 the Trust was still rated amber-red. Monitor amended the scoring basis and the outstanding CQC actions were no longer included in the scoring. The action plans have been completed and the Trust is awaiting a review visit from CQC to confirm compliance.

Risks and Uncertainties

The NHS is changing rapidly and for the Trust this gives many opportunities as well as risk and uncertainty. The Trust Board has identified the strategic risks facing the Trust. These risks are formally reviewed on a quarterly basis by the Trust Board and Trust Executive Management Team. Current strategic risks are identified in the table on page 134 and appropriate risk management and mitigation plans are in place for each.

Quality Account

Introduction

The purpose of this Quality Account is to provide patients, staff, members of the local communities and commissioners, with a report on the quality of services that the Trust provides. It provides an update on activities in the Heart of England NHS Foundation Trust (hereafter referred to as the Trust) and Solihull Community Services (SCS) over the last 12 months. The Quality Account represents one aspect of the continued drive to improve the quality and safety of the services which are provided.

In part 1 of the Account, there is a statement of the quality of services from Chief Executive, Dr Mark Newbold. In this section, an update is provided on the priorities that were set by the Trust for 2011/12 and details of the priorities set for the coming year. It also explains how these priorities have been developed with stakeholders and what this will mean for the quality of services that patients receive. In part 2 there are a number of 'Statements of Assurance' regarding specific aspects of service provision. The Trust is required to provide these statements to meet the requirements of the Department of Health and Monitor (the regulator for NHS Foundation Trusts). As all providers are required to provide these statements it allows comparison between different organisations. Part 3 contains further information which provides a picture of some of the other initiatives that have been implemented in the Trust to improve quality.

The final sections of the Quality Account give details of the consultation exercises that have been completed in order to prepare the content of this document as well as some commentaries which express the views of some of the Trust's key stakeholders.

Chief Executive's Statement

I am delighted to present our 2011/12 Quality Account, my second since joining the Trust. We have again taken the opportunity to highlight many of the activities which have taken place over the past 12 months. I believe that this report accurately represents the work we have delivered to-date. As always we have sought the views of patients, external stakeholders and staff to ensure this represents a comprehensive picture of the work being carried out across the organisation. I am very grateful for their input and we have included their thoughts and feedback in this report.

Over the year we have put safety and quality at the heart of everything we do. 'Safe and Caring' remains our key priority and this Quality Account provides an update on the many activities and initiatives that we have been implementing across the Trust to support this journey. Over the year our clinical teams have developed strategies to inform the way our services will develop. We have many exciting plans which will see us working in partnership with our healthcare colleagues across the region as we make improvements to patient pathways. To support this we are working to change the financial arrangements so that our incentives to provide good clinical care and achieve a sound financial position are aligned. This will mean that everyone is focused on keeping patients well, ensuring that when they need healthcare they are treated in the most appropriate place. This is a significant change for us,

and one that will encourage everyone in the wider healthcare system to focus on how we can make changes to improve patient safety, patient outcomes and service quality.

Work to design services which improve health and wellbeing for the communities has begun at Solihull. We have developed a partnership board where representatives from all healthcare organisations come together to create a truly integrated health economy in which keeping people well is driven with as much energy as treating people when they are sick. Looking forward we want to develop this further with some key appointments including a public health specialist within the Trust.

Our ability to continue to deliver safe, quality services will always rest on the co-operation and commitment of our staff, partners and the public and I would like to say a huge 'thank you' to all those who are working with us on this important agenda. Our aim is to continue to improve and deliver local services in which people have confidence, trust and pride.

Dr Mark Newbold
Chief Executive

Priorities for Improvement

As part of the Quality Account process, the Trust is required to set priorities for improvement. These are issues which are considered to be important to patients, local communities and stakeholders. In the last Quality Account, the Trust, with the help of a wide range of stakeholders, identified four key priorities for improvement during 2011/12:

- **Stroke management** – to ensure patients, who are diagnosed with a stroke, receive timely treatment in an appropriate care setting and that the Trust improves clinical outcomes for patients with a stroke
- **Patient experience** – to improve the response to patients' needs
- **Venous thromboembolism (VTE)**⁷ – to improve clinical outcomes for patients receiving VTE prophylaxis⁸ and those with identified VTE
- **Mandatory training** – to ensure staff have core and mandatory training as required.

Solihull Community Services (SCS), also with the help of stakeholders, identified three key priorities for improvement in 2011/12:

- **Incident reporting** – to improve the timeliness of current reporting of serious untoward incidents (SUIs) according to set local and national targets

⁷ Venous thrombosis is a condition in which a blood clot (thrombus) forms in a vein. Blood flow through the affected vein can be limited by the clot, causing swelling and pain. If the blood clot comes loose, it can travel through the bloodstream to the lungs. This is called pulmonary embolism. Venous thrombosis and pulmonary embolism together are known as venous thromboembolism (VTE).

⁸ Prophylaxis is medical or public health measures taken in order to prevent disease or health problems, rather than to treat or cure an existing condition. Prophylaxis is also a way to stem an outbreak of disease, or minimize the symptoms of someone who has been exposed to a disease or virus.

- **Quality of life measures** - This priority is linked to a Commissioning for Quality and Innovation (CQUIN) target agreed with the lead commissioner for 2011/12. SCS has continued to collect and review valuable patient satisfaction feedback across all community health services. This has given insight into the experience patients had after receiving care and has supported making the necessary changes within services. Solihull Community Services will now focus on developing other patient experience tools to review the impact and improvements care they delivered has had on patients' lives.
- **Public health training** - This priority is linked to the CQUIN agreed with the lead commissioner for 2011/12. The public health service aims to prevent health issues before occurrence, improving the population's quality of life. Solihull Community Services is committed to ensuring that public health training is received by front line staff, in relevant services, to provide them with the knowledge they need when delivering care.

This next section provides an update on these priorities and the ongoing commitment to future progress.

Acute Priority 1: Stroke Management

Overarching aim:

To ensure that patients who are diagnosed with a stroke receive timely treatment in an appropriate care setting and that the Trust improves clinical outcomes for patients with a stroke.

Why this priority was chosen:

There is extensive evidence that patients who have suffered a stroke experience better outcomes if they have access to specialist stroke care on a dedicated stroke unit with the necessary investigations and interventions. Almost 1,500 people who suffer a stroke are cared for by the Trust each year, which makes up more than half of all strokes that occur in Birmingham. To ensure that the Trust provides the best possible care, the development of stroke services is a strategic priority for the Trust.

The National Stroke Strategy (Department of Health guidance) outlined a set of standards by which services can be measured to demonstrate the quality of the care they provide. These include the number of stroke sufferers who are admitted onto a dedicated stroke unit within four hours of arriving at hospital; the number of patients receiving CT scans of their head when they needed it (ascertained by clinical judgment) and the number of stroke sufferers who spend the majority of their stay in hospital on a stroke unit. In addition, when patients are discharged from hospital, if they can be discharged home, they should be supported with the right access to therapy for their ongoing rehabilitation through an early supported discharge service.

Action taken:

- Worked closely with A&E and acute medical assessment areas to ensure patients are admitted directly to a stroke unit within four hours of arriving at hospital, at all times of the day. As a result 250 more people who suffered a stroke were admitted directly to a stroke ward in the first half of 2011 compared to 2010.

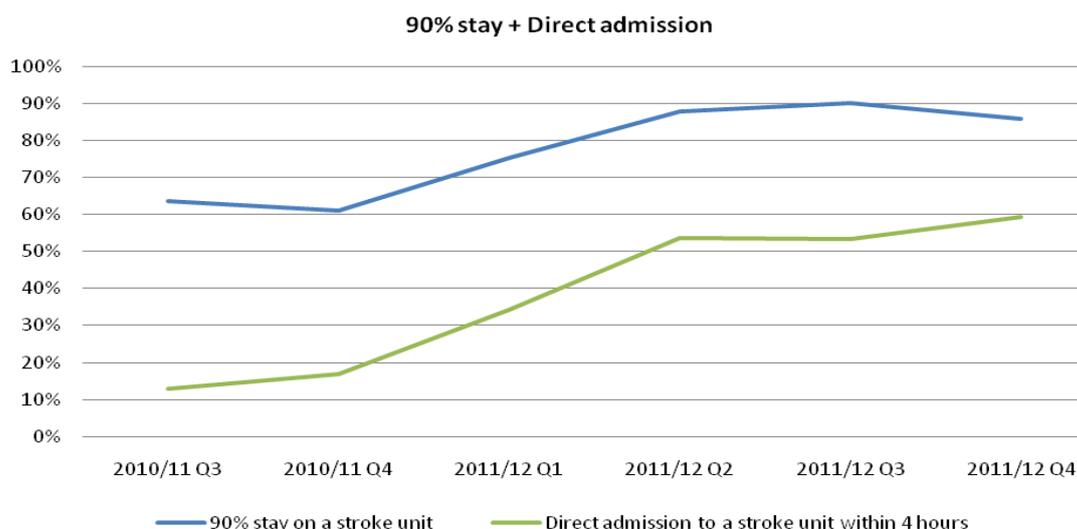
- Continued to improve the number of patients with a stroke who spend at least 90% of their time in a hospital stroke unit. As a result, 270 more patients spent the majority of their time on a stroke unit to be cared for by the specialist multidisciplinary stroke team compared to the same period last year. This is 84% of patients compared with 61% in the previous year.
- Improved access to CT scans for patients who are suspected to have had a stroke.
- Continued to deliver clot-busting thrombolysis⁹ treatment that has both saved lives and meant patients who have a stroke are able to do far more than they would have if they had not had the treatment.
- Improved communication and awareness with other areas of the hospital so that if any patient already in hospital were to suffer a stroke, they would be transferred to the stroke unit immediately.
- Worked closely with social services and other stroke services in the community to develop an early support discharge service.
- Participated in the Stroke Improvement National Audit Programme (SINAP) which will help the Trust evaluate its service in more detail to make further improvements.
- Participated in an international Dr Foster project which compares stroke services in different countries. This allows a greater focus on data to highlight where service improvements can occur to achieve improved clinical outcomes for patients. An example of this is a pilot to reduce the number of hospital acquired pneumonias through the introduction of improved positioning and mouth care techniques.
- In January 2012 the Trust launched an early supported discharge service, which is an improvement on the already established stroke outreach programme. This has enabled more people across all three hospitals who have suffered a stroke to receive the therapy in their own home rather than in a hospital bed.
- From January 2012 people who have suffered a minor stroke and are at a high risk of having another can be assessed and treated within 24 hours seven days a week to prevent them having to be admitted to hospital.

There have been significant improvements in the accuracy and quality of data for the stroke pathway which has allowed the team to understand more clearly where and how it can further improve the stroke service.

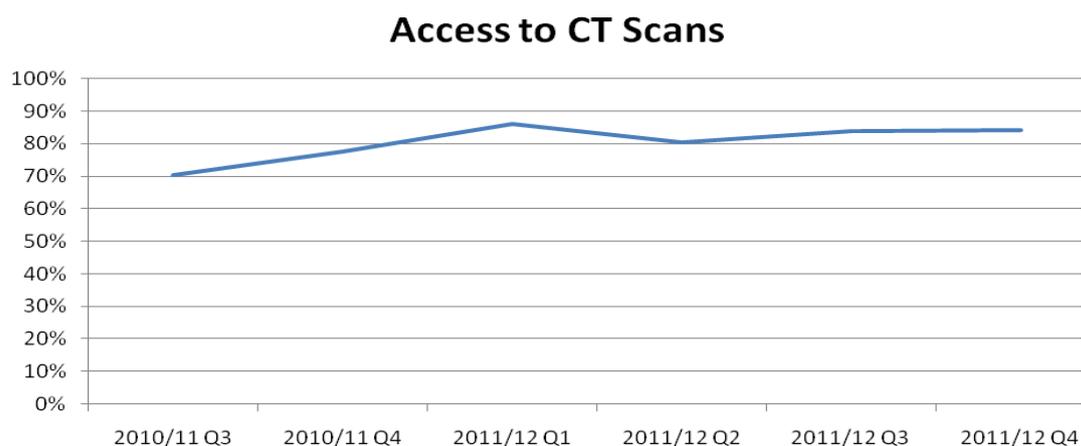
There have been significant improvements in direct admissions to stroke units within four hours, the number of stroke patients spending 90% of their time on a stroke unit and the time it takes to access the right head scans that are required.

The following graph shows the improvements in the 90% stay target and the number of people being admitted to a stroke unit within four hours of arrival to hospital. Whilst there is still more work to be done, the results have been encouraging and will hopefully continue to improve as more work is dedicated to the stroke pathway.

⁹ The breakdown of blood clots by pharmacological means



The graph below shows the percentage of stroke patients who received a scan of their head within 24 hours. Again a significant improvement has been made.



The ongoing commitment:

- To continue to improve the quality and safety of care to stroke sufferers by meeting and exceeding the national and local targets.
- To work towards providing a ward round by a specialist stroke physician seven days a week instead of the current five days of the week.
- To develop further the stroke early supported discharge service from each of the Trust's hospitals with access to right level of support and rehabilitation in the patient's own home.
- To continue to be involved in the international Dr Foster project and national audit programmes to better understand where further quality improvements can occur in stroke care.
- To continue to improve the service to ensure patients receive the excellent care they deserve while in hospital.

- To continue to provide highly specialist care on a dedicated stroke unit throughout a patient's stay in hospital.
- To provide even better care in the first 72 hours of a person suffering a stroke. The Trust has engaged in a review of the hyper-acute part of the stroke pathway (the time from when someone has a stroke up to around 72 hours or when they are clinically stable).
- To continue to participate in the national audit that collects and analyses information about stroke patients to highlight areas of the service where improvement can be made.

Acute Priority 2: Patient Experience

Overarching aim:

The overall aim of the patient experience programme was to provide a timely process for capturing a representative sample of patients' views that reflected the national survey and also target areas where the Trust knew improvements could be made. By making information available through the Trust internal Intranet on a real-time basis and providing a summary report, the data is designed to connect with front-line staff and support the development of programmes specifically aimed at improving patient experience.

Over the last 12 months the patient experience results have been complemented by a series of workshops involving patients and videos of patient stories. These are designed to change behaviour of staff and ensure that the Trust learns from complaints and enhances the experience that is offered to patients.

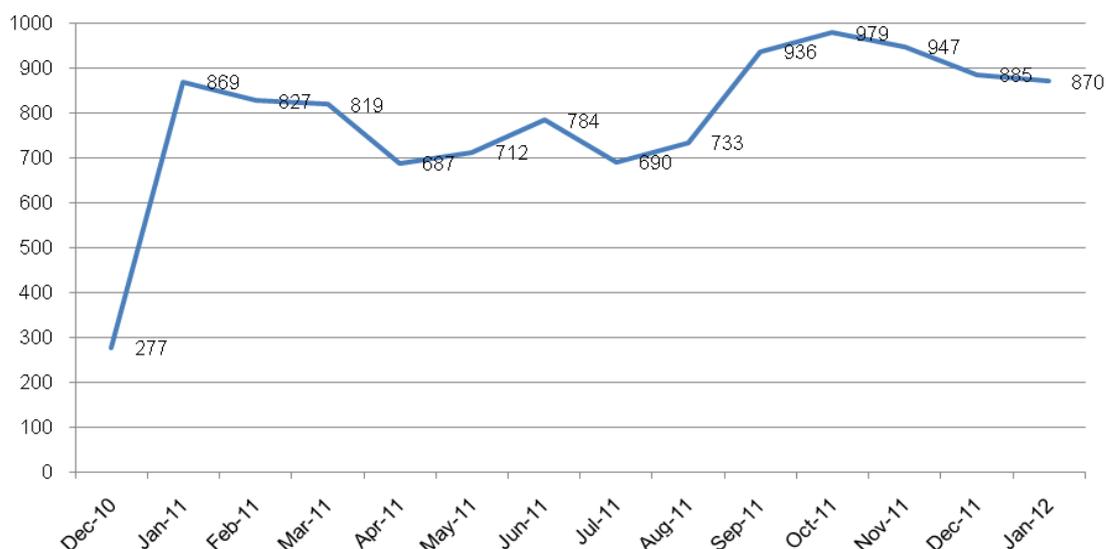
Action taken:

Back to the Floor Patient Surveys:

Monthly patient surveys continue across all inpatient areas. With more specialist areas using this way of capturing data, including radiology, A&E, phlebotomy and therapies, the overall number surveyed each month when compared to January 2011 has increased slightly.

Staff have also been identified who carry out this role as their sole responsibility; asking a minimum of 15 – 20 patients 12 questions based on the CQC's Inpatient Survey. It is also undertaken locally by staff in the more specialist departments. The patient experience data is being examined alongside the nursing metrics and complaints to highlight areas where additional focus is required.

Number of patients surveyed (back to the floor) by month



Complaints

The Trust received over 1,000 complaints in 2010/11 and has since reviewed the process for managing complaints to achieve a faster local resolution to any issues or concerns raised. The new 'Patient Services' function has replaced the previous complaints and Patient Advice and Liaison Service (PALS). Patients and carers are now signposted to a range of options they can access to resolve their concerns. This includes offering complainants a rapid escalation pathway to meet with medical consultants and other health professionals or even receive home visits if more convenient to discuss any concerns or issues and gain answers quickly. A new call logging system allows staff to view call volumes, call waits and response times. Call recording also assists in forwarding details of conversations with complainants directly to departmental managers.

Since October 2011, the following areas have made changes to their services based on patient feedback:

October 2011	November 2011	December 2011
Ward 21 (BHH) Ward 24 (GHH)	Gynaecology (BHH)	Emergency Assessment Unit (GHH) Outpatients (SH) Cardiac Rehabilitation (BHH and SH)

Community Engagement

Individual approaches to engaging local communities have been agreed with the Trust's executive leads of Solihull, Good Hope and Birmingham Heartlands Hospitals. These are complemented with a series of community visits involving the Chief Executive and senior medics; taking feedback, concerns and suggestions as well as answering any questions.

The Trust's public engagement team has targeted organisations which represent patients with different abilities to work with them so that their views can help shape services. Work is also ongoing with the Dyslexia Association (Birmingham) to minimise the challenges people with

dyslexia have when visiting any of the Trust's three hospital sites. Most recently, drop in sessions run by Carers UK have been established at Good Hope Hospital to assist carers with support, advice and guidance in being a carer.

Internet

As patients and carers increasingly turn to online media, the Trust is regularly issuing new blogs via Twitter, publicising and working with sites such as Patient Opinion and NHS Choice to receive feedback. This can be either positive or negative. Ensuring timely responses to all feedback and encouraging service users to post compliments on these sites ensures regular dialogue with users of Trust services.

Patient Stories

A suite of stories has been committed to DVD showing patients talking about their experiences as users of the Trust services. These are shown to all levels of staff in the organisation to show them the affects that certain behaviours, both positive and negative, have on patients.

The current status:

Progress continues to be monitored, measured and reported through monthly patient experience reports which are triangulated with the nursing metrics results and complaints. These results are reviewed by the Executive Board each month and, every two months, presented to the Governance and Risk Committee and to Trust Board. The data is also available 'real time' through the Trust's intranet and frequently reviewed by ward managers as part of their day-to-day ward management. The aggregated patient experience scores are also monitored by the Chief Nurse and the site head nurses as part of the Trust's Nursing and Midwifery Board.

The ongoing commitment:

The next stage is to continue to build on the detail of the patient experience data collected whilst seeking new and innovative ways to capture feedback and drive through improvements. This includes:

- Asking patients to name staff who have delivered exceptional care
- Achieving further triangulation with the nursing metrics and measured action plans to pick up improvement areas
- Continuing to gather data on patient and relative experiences of community services and integrated health and social care packages.

Acute Priority 3: Venous Thromboembolism (VTE)

An estimated 25,000 people in the UK die from preventable hospital-acquired venous thromboembolism (VTE) every year. VTE is a condition in which a blood clot (a thrombus) forms in a vein. It most commonly occurs in the deep veins of the legs; this is called deep vein thrombosis. The thrombus may dislodge from its site of origin to travel in the blood – this is called embolism. Venous thrombosis often does not have symptoms; less frequently it causes pain and swelling in the leg. Part or all of the thrombus can come free and travel to the lung as a potentially fatal pulmonary embolism. Symptomatic venous thrombosis carries a considerable burden of morbidity, sometimes over a longer term because of chronic venous

insufficiency (when leg veins cannot pump enough blood back to the heart). The risk of developing VTE depends on the condition and/or procedure for which the patient is admitted and on any predisposing risk factors (such as age, obesity and other health conditions).

Overarching aim:

To improve clinical outcomes for patients receiving VTE prophylaxis and those with identified VTE.

Action taken:

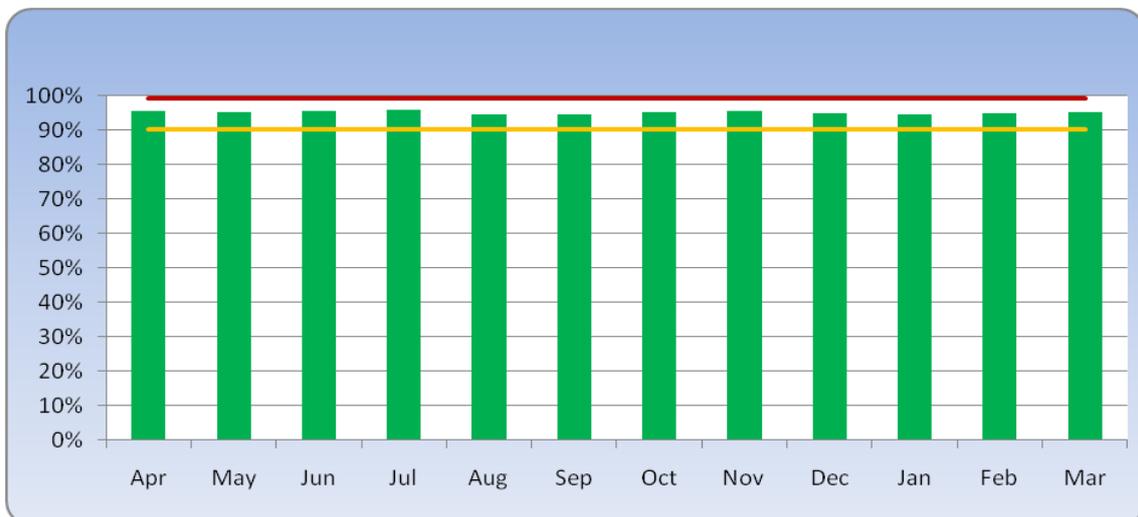
The Trust has continued to make improvements in its delivery of VTE risk assessments and delivery of preventative measures (thrombo-prophylaxis) to reduce the risk of developing a VTE during hospital stays and following surgery. The Trust has also introduced new initiatives in the treatment of those patients with an identified VTE.

There is a national Commissioning for Quality and Innovation (CQUIN) target for Trusts to complete VTE risks assessments on 90% of admitted patients. The Trust has developed an automated system for VTE risk assessments which shows that more than 95% of risk assessments are performed within 24 hours of admission.

VTE risk assessment is now part of mandatory training for all clinical staff commencing work at the Trust.

The Trust has recently introduced the newer oral anticoagulants Dabigatran and Rivaroxaban, allowing their use in thrombosis prevention in patients undergoing hip and knee replacements. These newer drugs do not require any regular monitoring and will aid the delivery of thromboprophylaxis especially for the prolonged periods post discharge from hospital.

VTE - % of all adult in patients who had a VTE risk assessment on admission to hospital using the national tool



This was calculated by dividing the number of adult inpatients reported as having a VTE risk assessment on admission to hospital using the national tool by the number of adults who were admitted as inpatients (including day cases, maternity and transfers; both elective and non-elective admissions).

Treatment of patients with presumed venous thrombotic events – pulmonary embolus or deep vein thrombosis

Approximately 600 patients with either deep vein thrombosis or pulmonary embolus were commenced on anticoagulant treatment between April 2011 and March 2012. The majority of patients continue to be managed by the Trust's specialist Anticoagulant Nursing Team following early discharge, usually with less than 24 hours' hospital stay, with regular outpatient assessment of their anticoagulation treatment including weekend clinics. This saves the Trust up to 2,000 bed days annually as well as improving the patient experience.

Service improvements during the last 12 months include:

- A domiciliary pathway for investigating patients with possible VTE in the community developed collaboratively between NHS Birmingham East and North, Birmingham Community Healthcare Trust and Heart of England Foundation Trust. It provides assessment and treatment of patients with a suspected DVT and aims to treat patients in their own home, where it is both clinically safe and appropriate.
- An extension of the Trust's nursing team's role to manage the anticoagulation of inpatients who were already taking anticoagulants prior to admission or who have been commenced on anticoagulants for reasons other than acute venous thromboembolism.
- The development of an internal Intranet site providing all Trust staff with a one-stop access to information and guidelines for the prevention and management of VTE.

Anticoagulation Clinic Performance

The Trust's anticoagulation performance continues to be measured against other Trusts and this organisation continues to achieve the expected targets.

Acute Priority 4: Mandatory Training

Overarching aim:

To ensure that staff receive mandatory training, not only to meet legislative and statutory body standards, but to limit risk to employees, patients and visitors. Mandatory training is defined as training that is deemed essential for the safe and efficient functioning of the organisation and/or the safety and wellbeing of individual members of staff. This includes statutory training.

Action taken:

- Increased awareness of the importance of mandatory training.
- Developed an online learning package of mandatory training modules to ensure that staff have easier access to training. The modules can be accessed in the work place, at home or in the Trust libraries.
- Development of Virtual Interactive Teaching and Learning (VITAL), an e-learning module for nurses and midwives, to enhance their mandatory training set.

Current status:

Nearly 3,000 staff attended mandatory refresher training in 2011, with a further 560 completing the mandatory e-learning package which was launched in November 2011. In January 2012 the Trust achieved NHSLA level 2 for mandatory training, indicating that policies were appropriate and that processes were followed.

The ongoing commitment:

To develop VITAL for medical staff and managers in 2012.

Community Services Priority 1: Incident Reporting

Overarching aim:

SCS needed to improve the timeliness of current reporting of serious untoward incidents (SUIs) according to set local and national targets, in order for lessons to be learnt, adverse trends to be identified and advice to be sought in a timely fashion. The use of online incident reporting within the Trust will help front line staff report more quickly.

Action taken:

In September 2011, SCS changed from a paper-based reporting system to an electronic system. Information collected so far indicates that the number of incidents reported has not changed significantly, yet the time taken to report, review and manage these incidents has reduced. This has allowed SCS to achieve both the local and national targets.

Current status:

Work is continuing to improve the management of SUIs: the SUI forum meets monthly to review serious and reportable incidents and ensure that investigations are completed and learning implemented in a timely manner. The investigation tool for tissue viability reportable incidents is now part of the incident reporting process ensuring that action taken is as swift as possible and a similar tool is being explored for patient falls.

The ongoing commitment:

The Trust is committed to continuing to work alongside acute colleagues, commissioners and the SHA and to improving the quality of services provided through the risk management processes.

Community Services Priority 2: Quality of Life Measures

Overarching aim:

SCS has continued to collect and review valuable patient satisfaction feedback across all community health services. This has given insight into the experience patients had after receiving care and has helped in making the necessary changes within services. SCS focused this year on developing and piloting additional patient experience tools to review the impact and improvements care had on patients' lives.

Action taken:

Four services were identified to take part in a pilot and individual patient experience questionnaires were used for each. The four services involved were dermatology, continence, Meadow Centre (children's services) and adult speech and language.

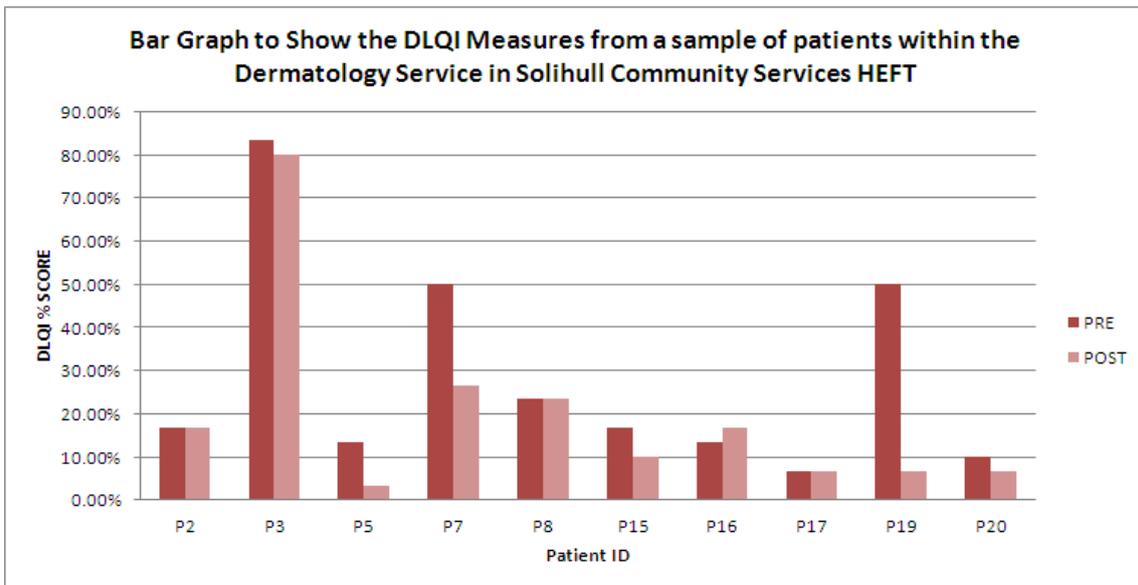
Meadow Centre developed a questionnaire that would support a very specialist area of care for children. The service has been piloting this questionnaire and part of the work undertaken is to evaluate its effectiveness. The use of the questionnaires for the three other services has helped to provide a measure of how the care patients received has impacted on their life.

Data analysis to date has demonstrated that some of the survey tools seem to be providing a useful insight to outcomes of treatment from a patient’s perspective.

The current status:

Listed below are examples of the data for the dermatology service which demonstrate the outcomes reported to date. A sample of 13 patients were recruited at the time of writing this report, out of which 11 to date (end of December) had a pre and post measure recorded. The tool uses a scoring index (Dermatology Life Quality Index) to calculate the impact treatment has had on the patients’ quality of life. Here is a breakdown of the 11 patients’ Dermatology Life Quality Index (DLQI) scores:

- 6/11 (55%) patients had a positive outcome/impact of life;
- 3/11 (27%) had no change;
- 1/11 (9%) decided not to give further detail on the post measure feedback (not shown below);
- 1/11 (9%) had a very slightly negative outcome/impact of life.



The ongoing commitment:

Solihull Community Services will now focus on developing other patient experience tools to review the impact and improvements care delivered has had on patient’s lives.

Community Services Priority 3: Public Health Training

Overarching aim:

This priority is linked to the CQUIN agreed with the lead commissioner for 2011/12 and is co-dependent on the training to be delivered through the Primary Care Trust. Public health

service provides a preventative aspect of healthcare, preventing health issues before occurrence, improving the population's quality of life. SCS will invest in and develop public health training for front line staff in relevant services so they can give advice to patients when delivering care.

Current status:

Identified staff have undertaken relevant training, providing them with the education and awareness to make appropriate referrals to alcohol and smoking related services.

2012/13 – Priorities for 2012/13

During November, December and January 2011/12, the Trust consulted extensively with a range of internal and external stakeholders and patients in order to determine what the priorities should be for the coming year - 2012/13. Local stakeholders groups, service users, Trust volunteers and Governors were invited to attend one of three half-day focus group workshops.

These indicators were chosen because this is what the local communities and patients prioritised as part of the consultation. The priorities that the Trust has decided to focus on in 2012/13 are outlined as follows:

<p>Priority 1</p>	<p>FUNDAMENTALS OF CARE How will performance be measured and monitored? This priority will be based on the National Care Campaign and will specifically look at pain management, communications, nutrition, and privacy and dignity. Performance will be measured through Trust-wide developed scorecards. How will progress be reported? Through the Nursing and Midwifery Performance Board</p>
<p>Priority 2</p>	<p>FALLS How will performance be measured and monitored? Performance will be measured through Trust-wide developed scorecards, which include nursing metrics regarding assessments, falls per occupied bed days, wards with the highest number of falls etc. How will progress be reported? Through the Nursing and Midwifery Performance Board</p>
<p>Priority 3</p>	<p>PRESSURE SORES How will performance be measured and monitored? Performance will be measured through Trust-wide developed scorecards which include nursing metrics regarding assessments, tissue viability audits, incident numbers etc. How will progress be reported? Through the Nursing and Midwifery Performance Board</p>

Priority 4	<p>FRACTURED NECK OF FEMUR - To improve clinical outcomes of patients with fractured neck of femur</p> <p>How will performance be measured and monitored? The Trust currently submits data to the National Hip Fracture Database (NHFD). The NHFD is a joint venture of the British Geriatrics Society and the British Orthopaedic Association, and is designed to facilitate improvements in the quality and cost effectiveness of hip fracture care. It allows care to be audited against the six evidence-based standards and enables local health economies to benchmark their performance in hip fracture care against national data. This data will be used to assess the Trust's own clinical outcomes with regard to fractured neck of femur and to subsequently improve this.</p> <p>How will progress be reported? Data will be reported at quarterly audit meetings and the Trust Quality Group.</p>
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Further details of the consultation process are included later in this Quality Account.

Statements of Assurance

This section includes statements which are mandated by the Department of Health to be included in the Quality Account. The aim of this nationally requested content is to give information to the public that is common to Quality Accounts across all Trusts. These statements demonstrate that the organisation is:

- Performing to essential standards
- Measuring our clinical processes and performance
- Involved in national projects and initiatives aimed at improving quality.

Service Income

During the financial year 2011-12 the Trust provided and/or sub-contracted 76 NHS services. The Trust has reviewed all the data available to it on the quality of care in all of these NHS services. The income generated by the NHS services reviewed in the financial year 2011-12 represents 100% per cent of the total income generated from the provision of NHS services by the Trust for the financial year 2011-12.

Clinical Audit

Nationally managed audits are designed to enable learning and promote improved patient outcomes across a wide range of medical, surgical and mental health conditions. These audits are a priority for the Trust and are included in the directorate's audit programme. They enable clinicians to compare their clinical practice against standards and to use this information to deliver better outcomes in the quality of treatment and care. These national audits are designed to ensure that all patients receive the most effective, up-to-date and appropriate treatment, delivered by clinicians with the right skills and experience.

During 2011-12, 48 National Clinical Audit and Patients Outcome Programme (NCAPOP) national clinical audits and seven National Confidential Enquiries covered NHS services that the Trust provides. There were three national clinical audits which covered NHS services that SCS provides. There were no applicable National Confidential Enquiries.

During 2011-12, the Trust participated in 90% NCAPOP national audits and 100% national confidential enquiries of the national clinical audits and national confidential enquiries in which it was eligible to participate. Solihull Community Services registered for both of the national clinical audits in which it was eligible to participate but the patients did not meet the criteria to participate further. The third audit, a continence audit, was a pilot for this year and not mandatory to be undertaken.

The National Clinical Audits and National Confidential Enquiries that the Trust was eligible to participate in during 2011-12 are as follows: (see Tables 1 and 2). The National Clinical Audits (NCAPOP and non NCAPOP) and National Confidential Enquiries that the Trust participated in, and for which data collection was completed during 2011/12 are listed below alongside the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry.

Table 1: National audits (NCAPOP) the Trust was eligible to participate in:	Participation in 2011-12	Submissions required by terms of reference	% of submissions completed	Comments or reasons for NOT participating
Acute myocardial infarction and other ACS (MINAP)	Yes	All relevant cases	100%	Meeting standards fully
Adult asthma (British Thoracic Society)	Yes	All relevant cases (20)	100%	
Adult community acquired pneumonia (British Thoracic Society)	Yes	All cases	50 (100%)	Report received
Adult critical care (Case Mix Programme)	Yes	All relevant cases	Continuous	
BHIVA National Audit 2010: Audit for patients seen for diagnostic work up after testing HIV positive.	Yes	All cases	100%	
2011 Audit against the Key Performance Indicators in the BASHH STI Management Standards (STIMS).	Yes	40	100%	
Acute stroke (SINAP)	Yes	1200	All relevant cases	Awaiting report
Bowel cancer (National Bowel Cancer Audit Programme)	Yes	392	100%	Report received- No actions required
Bronchiectasis (British Thoracic Society)	Yes	N/A	N/A	Audit report received in 2011
British Cardiac Interventional Society (BCIS) Angioplasty Audit	Yes	All relevant cases	100% (continuous)	Meeting standards fully
Cardiac arrest (National Cardiac Arrest Audit)	Yes	All cases fitting criteria (325 to Dec 2011)	100%	% Survival from cardiac arrest is above the national figure

Carotid interventions (Carotid Interventions Audit)	N/A	N/A	N/A	Information not available
Childhood epilepsy (RCPH National Childhood Epilepsy Audit)	Yes	All relevant cases	100%	
Chronic pain (National Pain audit)	Yes	All relevant cases	100%	
COPD (British Thoracic Society/European Audit)	No	N/A	N/A	Registered to start audit in Spring 2012
Diabetes (National Adult Diabetes Audit)	Yes	All relevant-160 approx	100%	
Diabetes (RCPH National Paediatric Diabetes)	Yes	N/A	N/A	Database has been launched for participation in 2012
Elective surgery (National Proms programme)	No	N/A	N/A	Information not available
Falls and non-hip fractures (National Falls and Bone Health Audit)	Yes	20 hip 40 non hip at each site 120 total	100%	2 year audit programme Audit submission 2010 - Report 2011.
Emergency use of oxygen (British Thoracic Society)	No	N/A	N/A	Considering registration
Familial hypercholesterolaemia (National Clinical Audit of Mgt of FH)	N/A	N/A	N/A	Trust not invited to take part
Head and neck cancer (DAHNO)	Yes	48	100%	
Heart failure (Heart Failure Audit)	Yes	300 cases submitted from March 2011	100%	
Heavy menstrual bleeding (RCOG National Audit of HMB)	Yes	All relevant cases (80)	100%	
Hip fracture (National Hip Fracture Database)	Yes	All cases	100%	Report received
Hip, knee and ankle replacements (National Joint Registry)	Yes	All relevant cases	100%	
Intensive Care National Audit and Research Programme	Yes	All relevant cases	100%	
Lung cancer (National Lung Cancer Audit)	Yes	397	98%	
National Colonoscopy Audit	Yes	All cases	100%	waiting biannual report
Neonatal intensive and special care (NNAP)	Yes	All babies admitted to neonatal unit	100%	
Non invasive ventilation (NIV) - adults (British Thoracic Society)	Yes	All cases (48)	100%	Report received
O neg blood use (National Comparative Audit of Blood Transfusion)	Yes	All cases (40)	100%	Actions from 2010/11 report implemented

Paediatric asthma (British Thoracic Society)	Yes	All relevant cases (41)	100%	
Paediatric fever (College of Emergency Medicine)	Yes	50 at each site (150 in total)	100%	
Paediatric pneumonia (British Thoracic Society)	No	N/A	N/A	Only submit bi-annually due to low numbers
Parkinson's disease (National Parkinson's Audit)	Yes	All relevant cases and follow-ups	100%	Submitted Dec 2011
Perinatal mortality (CEMACH)	N/A	N/A	N/A	No information available
Peripheral vascular surgery (VSGBI Vascular Surgery Database)	Yes	All applicable cases	100%	submission ongoing
Platelet use (National Comparative Audit of Blood Transfusion)	Yes	All cases (33)	100%	
Audit of blood transfusion in neonates and children	Yes	All cases	100%	Actions from last report implemented
Pleural procedures (British Thoracic Society)	No	N/A	N/A	Local data collected and audited. Not submitted to national database
Potential Donor Audit (NHS Blood and Transplant)	N/A	N/A	N/A	No information available
Renal colic (College of Emergency Medicine)	Yes	Submitted 50 per site (150 in total) from 1 August 2011	100%	
Renal replacement therapy (Renal Register)	Yes	All relevant cases – approx 80 annually	100%	Ongoing audit and reporting
Severe trauma (Trauma Audit and Research Network)	Yes	All relevant cases	100%	
Stroke care (National Sentinel Stroke Audit)	Yes	N/A	N/A	A 2 yearly audit – next submission 2012/13 report received 2011
Ulcerative colitis and Crohn's disease (National IBD Audit)	Yes	40	44%	submission ongoing
Vital signs in majors (College of Emergency Medicine)	Yes	50	100%	
National Audits Non NCAPOP- that the Trust was eligible to participate in:	Participation in 2011-12	Submissions required by terms of reference	% of submissions completed	COMMENTS / Reasons for NOT Participating
Cardiac Rhythm Management Audit	Yes	All relevant cases	100%	

National Audit of Seizure management in Hospitals (NASH)	Yes	79 - all relevant cases	100%	1st year of audit
National Physio Practice for Thoracic Patients	Yes	All relevant patients	100%	
Pain in children (College of Emergency Medicine)	Yes	150 cases submitted	100%	New audit for 2011/12
Sepsis and severe sepsis (College of Emergency Medicine)	Yes	Submitting at present	90 cases required	New audit for 2011/12
Upper GI (bi-annual) Audit	Yes	All cases	100%	Deadline for submission Oct 2012
National Audits the Trust was not eligible to participate in:	Participation in 2011-12	Submissions required by terms of reference	% of submissions completed	COMMENTS / Reasons for NOT Participating
CABG and valvular surgery (Adult Cardiac Surgery Audit)	N/A	N/A	N/A	Service not provided by Trust
Cardiothoracic transplantation (NHSBT UK Transplant Registry)	N/A	N/A	N/A	Service not provided by Trust
Coronary angioplasty (NICOR Adult cardiac interventions audit)	N/A	N/A	N/A	Service not provided by Trust
Depression and anxiety (National Audit of Psychological Therapies)	N/A	N/A	N/A	Service not provided by Trust
Liver transplantation (NHSBT UK Transplant Registry)	N/A	N/A	N/A	Service not provided by Trust
National Audit of Schizophrenia (NAS)	N/A	N/A	N/A	Service not provided by Trust
Paediatric cardiac surgery (NICOR Congenital Heart Disease Audit)	N/A	N/A	N/A	Service not provided by Trust
Paediatric intensive care (PICANet)	N/A	N/A	N/A	Service not provided by Trust
Patient transport (National Kidney Care Audit)	N/A	N/A	N/A	Service not provided by Trust
Prescribing in mental health services (POMH)	N/A	N/A	N/A	Service not provided by Trust
Pulmonary hypertension (Pulmonary Hypertension Audit)	N/A	N/A	N/A	Service not provided by Trust
Renal Transplantation (NHSBT UK Transplant Registry)	N/A	N/A	N/A	Service not provided by Trust

Table 2: National Confidential Enquires into Patient Outcome and Death (NCEPOD)/CMACH) that the Trust was eligible to participate in:	Participation 2011-12	Percentage of required number of cases submitted
Surgery in children: Are we there yet?	Yes	No cases selected
Peri-operative care: Knowing the risks	Yes	All relevant cases sent
NCEPOD - Cardiac arrest study	Yes	Spreadsheet returned 14 cases selected - 4 returned - 29% Organisational questionnaire returned
NCEPOD - Bariatric surgery	Yes	Spreadsheet returned 8 cases selected 8 questionnaires returned - 100% 5 case notes returned - 63% Organisational questionnaire – being completed at present
NCEPOD- Alcohol-related liver disease	Yes	Spreadsheet returned. Data collection not commenced yet
CEMACE ¹⁰ – peri-natal mortality	Yes	As required
CEMACE - Saving mothers' lives	Yes	All applicable maternal cases – 100%

Notes: Percentages given are latest available figures. Some studies are still ongoing so percentages are not supplied as submission is still continuing. A number of the national audits are run over two year periods, so submission is not required yearly. This is outlined in the tables above where applicable.

The Trust's Safety and Governance Directorate monitors the Trust's participation in all audits through its audit database system. This includes national audits and actions taken in accordance with recommendations. This activity is reported to the Clinical Standards Committee on a six monthly basis.

The Trust's Audit Strategy includes prioritising support for participation in national audits, that is those audits within the National Clinical Audit Patient Outcomes Programme (NCAPOP) and other provider subscribed national audits. NCAPOP consists of a series of audits commissioned and managed by the Healthcare Quality Improvement Partnership (HQIP), under the guidance of the National Clinical Audit Advisory Group (NCAGG). Not all of the national audits listed in Tables 1 and 2 provide reports or recommendations back to the Trust on an annual basis. In a number of cases as demonstrated in Table 1 the Trust is still awaiting reports from which the Trust will then develop actions where required.

¹⁰ CEMACE – Centre for Maternal and Child Enquiries

The reports of seven national clinical audits were reviewed by the Trust in 2011/12 and the Trust intends to take the following actions to improve the quality of healthcare provided:

Table 3: Actions arising from National Audit recommendations
<p>Renal colic (College of Emergency Medicine) Audit</p> <ul style="list-style-type: none"> • Clinical Decisions Unit patient pathway amended following report from audit
<p>Stroke care (National Sentinel Stroke Audit)</p> <ul style="list-style-type: none"> • Implementation of hyper-acute stroke beds • Appointment of acute stroke consultant – for front door assessment of stroke and TIA • Increased therapy input and hours to stroke patients • Implementation of daily TIA clinics • Access to week-end imaging for stroke patients • Training of nurses in swallowing assessment • Increase in number of thrombolysed patients within protocol.
<p>British Cardiac Interventional Society (BCIS) Angioplasty Audit</p> <ul style="list-style-type: none"> • Transfers pathway being reviewed to reduce areas of delay.
<p>Cardiac arrest (National Cardiac Arrest Audit)</p> <ul style="list-style-type: none"> • Trust % survival rate for cardiac arrests is above the national figure.
<p>2011 Audit against the Key Performance Indicators in the BASHH STI Management Standards (STIMS)</p> <ul style="list-style-type: none"> • Patient assessment document revised to include two additional key assessment items to improve patient assessment.
<p>National comparative audit of the use of Red Cells in Neonatal and Paediatrics</p> <ul style="list-style-type: none"> • Trust Policy revised to include guidelines in the use of Red cells in children. • Policy change disseminated via posters across paediatric and neonatal departments.
<p>BHIVA National Audit</p> <ul style="list-style-type: none"> • Improved HIV testing training for staff – resulting in increased number of HIV tests performed.

Within the Trust, a wide range of local nursing and medical clinical audits are undertaken within each clinical specialty. These audits are undertaken to examine whether treatments or services are meeting standards of best practice such as NICE, or they may be specific audits identified to monitor compliance to internal standards, policies and protocols.

A total of 849 clinical audits were registered onto the online audit database (440 in 2011/12; 409 carried forward from 2010/11). In 94 of these local audits, the whole audit cycle has been completed and actions have been put into place where required to enhance practice. The remainder are in progress towards completion of the cycle. Staff undertaking clinical audit are required to provide evidence of actions recommended from audits to improve service delivery, patient satisfaction and clinical quality on to the audit database and to action a re-audit. Following the introduction of the online audit database in 2010, which has enabled better evidence collection of audit outcomes, the Trust now has in place an audit learning site on the Governance and Safety website to embed learning from audits across the whole of the Trust.

The reports of 94 local clinical audits were reviewed by the Trust in 2011/12 and the Trust intends to take the following actions to improve the quality of healthcare provided as outlined in Table 4.

Solihull Community Services undertook 16 local audits. These have been monitored and supported by Clinical Governance within community services and reported to a dedicated Operational Committee around progress.

Table 4: Examples of actions being taken following local audits at the Trust

- Implementation of a Transient Loss of Consciousness/Syncope algorithm and guideline developed following audit.
- Electronic boards designed with estimated discharge date and a crib sheet implemented from Acute Medicine BHH audit work.
- Development of a policy for the use of Optical Coherence Tomography for patients with macular changes.
- Development and implementation of Retinal Screening Governance Manager. Development of Governance reporting processes for Retinal Screening Programme.
- All doctors informed of the diabetes inpatient audit findings and which insulin and oral hypoglycaemic should be prescribed at mealtimes only.
- Development of 'Safe Prescribing Quick Guide of Insulin and Oral Anti-diabetes drugs' circulated to all prescribers at the Trust. E-prescribing alerts implemented to alert prescribers who try to prescribe mealtime insulin and OHAs at 10pm.
- Implementation of weekly report of all prescribers who have prescribed insulin and oral diabetes drugs off protocol to enable feedback to these doctors by a diabetes consultant.
- Development of diabetes nursing metrics and a ward performance assurance framework.
- 100% conformity with British Association of Dermatology guidelines.

- Development of a pocket sized nursing safety manual.
- Re-organisation of referral process to Ear, Nose and Throat emergency clinic – to improve patient outcomes.
- Development and implementation of patient information epidural information card.
- Development and implementation of paediatric guideline inclusive of high flow oxygen use in patients with bronchiolitis.

Examples of actions being taken following local audits at Solihull Community Services:

- Review of future communication and information with GP committees and Looked After Children's Services.
- Ensuring of safe transport of used sharps safely within the community.
- Improvement of collecting and recording surgical surveillance data to monitor infection rates.

Research

The number of patients receiving NHS services provided or sub-contracted by the Trust in 2011/12 that were recruited during that period to participate in research approved by the Research Ethics Committee was 3726. At any one time, there are over 500 individual research projects being undertaken across the three hospital sites. Some of these projects are open for a only a few weeks, whilst the majority of projects run for over 12 months and potentially up to 10 years as in the case of cancer trials where long term follow up is key to understanding the impact of introducing a new treatment regime.

The majority of directorates undertake some form of research. Where most research is undertaken and where it is has been shown to make an impact on practice locally, is in those directorates where there is an academic affiliation and joint posts between the University of Birmingham, University of Warwick and Aston University. These include diabetes including metabolism, obesity and sleep, anaesthesia, critical care, pain, resuscitation, respiratory medicine, cancer, vascular surgery, infection, obstetrics and ophthalmology.

The implementation of the Trust's Research Strategy 2011-2014 is fully supported by the Trust Board and this, alongside the recent appointment of Professor Don Milligan as Director of the Healthcare Research Institute, enables the Trust to appoint more research-active staff and increase the amount of research it undertakes over the coming months and years. This will continue to have an impact on and improve the care provided to patients.

Clinical Research

The Trust has the largest number of haematology patients undergoing clinical research trials in the West Midlands, and is one of the largest in the UK. High quality research is vital for providing patients with opportunities to access new drugs that may not be available otherwise and determining the best combination of old and newer drugs in treating patients.

Haematology patients who decide to participate in a clinical research trial, such as a new cancer drug, may be newly diagnosed or have relapsed with leukaemia, lymphoma, multiple myeloma or other blood-related conditions or be undergoing bone marrow transplantation.

Research can take the form of trials conducted by NCRI (academic) or pharmaceuticals (commercial). The team of experts specialising in treating and researching into complex blood disorders are always eager to explore new avenues in order to expand their knowledge and the resources of the department.

Commissioning for Quality and Innovation (CQUINs)

A proportion of the Trust's income in the financial year ending 31 March 2012 was conditional on achieving quality improvement and innovation goals agreed between the Trust, Birmingham East and North PCT (lead commissioner for West Midlands PCTs) and West Midlands Specialised Services for the provision of NHS services, through the CQUIN payment framework.

Further details of the agreed goals for 2011/12 and for the following 12 month period can be found at:

http://www.institute.nhs.uk/commissioning/pct_portal/2011%1012_cquin_schemes_west_midlands.html

The CQUINs accounted for approximately £7 million of the Trust's income in 2011/12. The CQUIN goals were agreed jointly by the Trust and the lead commissioning PCT selected from a regional 'pick list' of priorities determined by the SHA. In summary these include:

Acute contract

- VTE risk assessment
- Patient experience
- Alcohol
- Smoking
- Maternity – Common Assessment Framework
- Maternity – community midwifery
- Medicines management – antibiotic stewardship
- Medicines management – prescribing efficiencies

Specialised services contract

- Reducing avoidable harm: VTE prevention
- Patient experience
- Access to chemotherapy out of hospital
- Access to renal therapies
- Access to organs for transplant
- Avoiding preventable blindness in neonates
- Improving neonatal care pathways

A proportion of SCS income in 2011/12 was conditional on achieving quality improvement and innovation goals agreed between SCS and Solihull PCT, with an associated value of £375,000.

Solihull Community Services contract

- Community services
- Patient experience
- Public health training

Trust performance against these CQUIN targets is monitored by the Executive Management Team and Trust Board. Although not all CQUINs targets across the Trust were met, performance for 2011/12 against more demanding requirements was generally good. The

targets for the Inpatient Survey, one of the four alcohol metrics and, three of the seven maternity metrics were not fully met. However, it is worth noting that performance for each of these showed an improvement on the agreed baseline and in many instances only narrowly missed achieving their target.

Care Quality Commission

The Trust is required to register with the CQC and its current registration status is registered without any conditions.

During 2011/12, the Trust had two responsive reviews from the CQC:

- In August 2011, CQC completed an unannounced inspection to review Outcome 4 (care and welfare of people who use services) and Outcome 9 (medicines management).
- In January 2012, CQC completed an unannounced inspection of the Emergency Department on the Birmingham Heartlands Hospital site.

The August inspection found that the Trust was compliant with Outcome 4, but not compliant with Outcome 9. A full action plan was developed to address the gaps identified from the inspection. Many of the actions have already been completed with the remaining actions due to be completed by the end of March 2012. An update on the action plan was submitted to the CQC and Monitor in January 2012.

The January inspection found the Trust to be compliant with Outcome 4 and Outcome 13 (staffing). The CQC report stated that:

‘People using Heartlands Hospital accident and emergency service experience effective, safe and appropriate care, and treatment that meet their needs and protect their rights. People's privacy and dignity are respected.’

and that

‘There are sufficient numbers of suitably qualified, skilled and experienced staff to meet the health and welfare needs of people using Heartlands Hospital accident and emergency department.’

In 2011/12, the Trust did not participate in any special reviews or investigations by the CQC.

Information Governance Toolkit

The Connecting for Health Information Governance Toolkit sets out standards for information governance systems and processes in NHS organisations. The Trust Information Governance Assessment Report overall score for 2011/12 was 62% (not satisfactory) and was graded as Red. In order to achieve ‘satisfactory’ status (Green) the Trust would need to declare compliance at Level 2 for all standards. The Trust did not reach Level 2 in seven standards. Action plans for these standards have been developed and will be monitored by the Information Governance Committee.

Data Quality

The Trust is taking the following actions to improve data quality:

- A suite of measures known as the Data Quality Health Check which identifies areas of poor performance is reported weekly to a range of operational and managerial staff throughout the Trust. A subset of these is also presented monthly at the Trust's Executive Directors Committee where data quality is a standing agenda item. Data Quality also forms part of monthly directorate reports and from April 2012 will be a standing agenda item on performance meetings with action plans in place to improve on performance.
- The Data Quality Project Board meets quarterly and focuses on areas of concern requiring improvement in data quality.
- The Trust employs a team of data quality staff who contribute to the Trust's induction programme to raise the importance of good data quality and also participate in the training of staff as it relates to data quality for the use of the Trust's main systems.
- The development of a new data quality training package is completed and is being piloted. This will facilitate refresher training for key members of staff for whom attendance at a refresher will be mandated. After successful completion of the course staff will be issued with a certificate. If the staff member is not successful, additional training will be provided and the opportunity to retake the course offered. Any further data quality development needs will be agreed with the staff member and their line manager.

The Trust submitted records during 2011/12 to the Secondary Uses Service for inclusion in the Hospital Episode Statistics which are included in the latest published data. The percentage of records in the published data which included the patient's valid NHS number was:

Valid NHS Number	%
Admitted patient Care	99.3%
Outpatient Care	99.76%
A&E	98.77%

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

Valid GP Practice	%
Admitted Patient Care	100%
Outpatient Care	99.98%
A&E	99.23%

Data quality in Solihull Community Services is operationally monitored with a bi-monthly Data Quality Steering Group. The group agrees on standard audit reporting for all community services on data quality issues, which take into account key performance indicators, and consistency and accuracy of clinical and contact recording. The standard agreed reports are run monthly and communicated to service heads via sharepoint portal, which the service heads then distribute to identified staff to either rectify or address the data quality issue. Support in addressing this is also provided by the Data Quality Officer and the Electronic Patient Record team within IT.

Clinical Coding Error Rate

The Trust was subject to the Payment by Results clinical coding audit during the reporting period by the Audit Commission and the error rates reported in the latest published audit for that period for diagnoses and treatments coding (clinical coding) were:

Table of main findings – clinical coding (coder and non-coder error)

Area audited	% Procedures coded incorrectly		% Diagnoses coded incorrectly		% of episodes changing HRG	% of spells changing HRG
	Primary	Secondary	Primary	Secondary		
Locally determined specialty – ENT	28.3	24.7	22.0	28.6	16.0	16.2
Random selection from SUS	0.0	10.0	3.0	12.4	6.0	6.1
Overall	20.8	19.7	12.5	16.5	11.0	11.6

The specialties audited were 100 Finished Consultant Episodes (FCE) in ENT and 100 random FCEs selected from the Trust's quarter 2 data submissions

The results should not be extrapolated further than the actual sample audited.

This year the Trust's average HRG error rate is 11 per cent. This is a continuing improvement, from an episode HRG error rate of 19 per cent in 2009/10, to 13.3 per cent in 2010/11. The report made two recommendations relating to improving the source documentation used for clinical coding and providing feedback and training to coders. An action plan has been developed to address the recommendations. Quarterly updates will be provided to the Trust Finance and Performance Committee and to the Primary Care Cluster

In 2011/12 the Trust underwent an Audit Commission Review of the 2010/11 audit recommendations and it was found that the Trust had made good progress in delivering clinical coding recommendations. Out of the six recommendations made, two recommendations were found to have insufficient progress. Actions plans are in place to deliver these.

The Trust has made significant investment in the Clinical Coding Team in 2011/12 and a new clinical coding structure, incorporating an audit and training function has been established from January 2012. It is anticipated that the introduction of this new team will have a significant impact on the quality of clinical coding at the Trust.

Other Information

Quality Performance Review

As a Trust, the aim is that everyone in the organisation always puts the highest possible value on patient safety in every decision they make. The Trust is committed to improving safety and quality and to reducing avoidable patient harm. Several work streams have been initiated and refined over the last 12 months, demonstrating the Trust's continuing commitment to improving patient safety.

Patient Safety

Acute Services

The Trust has a dedicated patient safety team that has been working hard on several initiatives during 2011/12. These include:

- A new **fluid balance and hydration chart**, which was launched to coincide with a national campaign 'A taste of patient safety nutrition and hydration week'. Fluid balance is the balancing of the quantities of fluid entering the body with the quantities leaving it. Fluid balance can alter with disease and illness. Following the launch, the team revisited the wards with some ad hoc sessions and assessed how staff were finding the new charts and how accurately they were completing them.
- A **safety manual** for nurses working in adult areas, which was launched in August 2011. The manual is designed to provide easy access to key information at the bedside at any time. The organisation has detailed policies and procedures, but key information was not always readily available to nurses. The pocket-sized manual contains user-friendly flow charts to guide nursing practice. The content is based on top safety issues and incident themes to ensure that lessons are learnt. The manual has been commended by Dame Christine Beasley.
- A **safety thermometer**, which the team, working with nursing, is testing. This is a national initiative, which will become a mandated CQUIN, from 1 April 2012. The aim of the thermometer is for 'harm free care' and it will be used within community and acute settings. It contains four areas – venous thromboembolism (VTE), pressure ulcers, falls and catheter-related infection. The plan is to test the tool and data collection methods on six wards at Heartlands Hospital before it is rolled out across the organisation.
- A revised **blood glucose monitoring chart**. The results of diabetes monitoring on the nursing metrics showed poor compliance with standards so a revised chart has been designed which is colour-coded to guide practice, with clear instructions on the frequency of blood glucose monitoring. The design of the chart enables trends to be identified more easily.
- Several **safety focused newsletters**, which are aimed at improving awareness of patient safety and ensure lessons are shared across the organisation. The nursing quality and safety newsletter is shared across all hospital sites. It has a different safety topic each month and provides teams with top tips to reduce incidents which may cause harm, promote good practice, share lessons learnt from previous incidents and

share patient stories. The Safe Medication Practice Group produces 'Medicines Safety Matters' to share best practice related to medication safety and also to share learning from medication incidents.

- Regular **patient safety walkabouts** continue to be conducted by the executive team. These give frontline staff the chance to discuss safety issues directly with the executive team. The aim is to improve patient safety by:
 - Identifying areas of good practice which can be shared throughout the organisation;
 - Identifying potential safety issues and establishing an action plan for improvements;
 - Opening channels of communication regarding patient safety from ward to Board.

Actions resulting from these walkabouts are monitored by the Director of Safety and Governance and by the Governance and Risk Committee.

Hospital at Night (H@N) and Hospital at Weekend (H@W)

H@N, now in place at all three of the Trust's hospitals, is a system of working that aims to achieve effective clinical care at night by having one or more multidisciplinary teams on duty sharing a range of skills and competencies to meet a patient's immediate need.

The benefits for clinical staff are:

- The ability to spend more time on clinical care
- Better information on which to base risk assessments
- Working as one team, decreasing isolation, improving working relationships and boosting morale
- Greater fairness and appropriateness in task allocation and responsibility
- More and higher quality training and development opportunities as well as enhanced and extended competency levels.

Benefits for patients:

- More timely, better coordinated and a higher quality of clinical care
- Improved risk assessment.

The H@W pilot was deployed at Good Hope on 8 October 2011. H@W uses a similar model of working to H@N, where all clinical jobs from the base wards are requested via iBleep, filtered by a nurse co-ordinator and passed onto members of the multi-disciplinary team (MDT) for timely and appropriate action. As part of the MDT, there is also a nurse practitioner to complete appropriate clinical jobs and support ward staff. The phlebotomy (blood) and pharmacy (medicine) services are also working as part of the H@W MDT to ensure efficiency and the best possible care for patients through a team approach. Initial feedback received from a variety of different areas and professions has indicated that the service is of great value to all patients and staff on the site.

Incident Reporting

The Trust prides itself in reporting all types of incidents to ensure that lessons are learnt from such occurrences. Approximately 20,000 incidents are reported each year. An incident is defined as an untoward event which causes or has the potential to cause any of the following:

- Harm to an individual
- Financial loss to an individual or the Trust
- Damage to the property of an individual or the Trust
- Disruption to services provided by the Trust
- Damage to the reputation of the Trust

This definition also encompasses all prevented incidents i.e. where none of the above occurred either by good fortune or due to the intervention of staff. These can also be referred to as 'near miss' incidents. The themes from incidents are triangulated with complaints, feedback and potential claims. The following table shows the themes and is used to help focus improvement projects or plans to improve patient safety.

Trust aggregation of data (Q3 2011/12)

Attachment 3

Incident Categories	Complaints Sub-Categories	PALS Sub-Categories	Potential Claims Categories	Serious Incidents Themes (6 monthly)
Falls	Clinical treatment	Compliment/positive feedback	Failure to perform operation	Communication
Tissue Viability	Misdiagnosis	Positive feedback	Failure/delay treatment	Documentation
Clinical Care	Information / Communication	Information / Communication	Failure/delay diagnosis	Medication
Medication	Bereavement Issues	Delay/cancellation of appointment	Other	Professionalism
Admission/Transfer/Discharge Issues	Discharge	Clinical Care		Failure/delay diagnosis

Trends

Falls / Slips
Medication
Information / Communication
Delay diagnosis/Results
Discharge

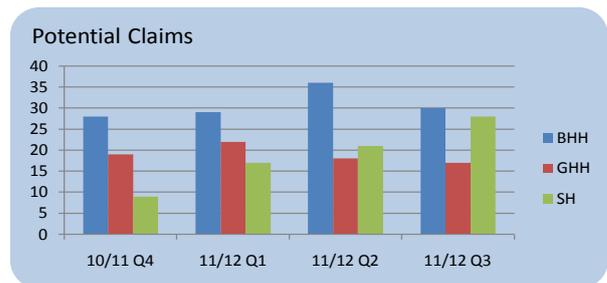
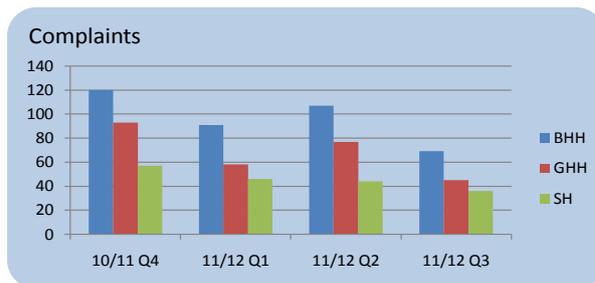
Trust actions

- Trust and Site falls groups in place, reviewing trends and learning from incident investigations.
- Safer practice medication working group. Think Glucose diabetes campaign. Nursing alert reminders issued.
- SBAR campaign. Nursing safety manual in development. Changing patient safety culture by Safety walk arounds
- Work completed to achieve NPSA alert (Radiology) Group 4 leading safety project on "Results Reporting"
- New Theme for Q3 11/12. For discussion.

This report provides the top 5 category themes for Incidents. Complaints, PALS, Claims and Serious Incidents for Q3 11/12.

Falls remains a top category in incidents but has not appeared in the claims categories for this quarter. A new theme of discharge has been identified. Professionalism / Rudeness of staff was a new theme in Q2 11/12 and is no longer a theme in Q3 11/12.

Aggregation by Site (Q3 2011/12)



This data provides the levels of activity for Incidents, SUIs, Complaints and Potential Claims across the 3 main hospital sites. The Q3 11/12 shows consistent trends over the last 12 months, which will continue to be monitored.

“Never Events” are defined as ‘serious, largely preventable patient safety incidents that should not occur if the available preventative measures have been implemented by healthcare providers’. The criteria used to define a Never Event were: ‘the Never Event may or does result in severe harm/death to patients and/or the public; there was evidence of occurrence in the past; national guidance and/or national safety recommendations exists on how to prevent along with support for implementation; occurrence can be easily defined, identified and measured on an ongoing basis.’ (Never Events list ‘12 DH)

Wrong implant / prosthesis: 3 events

Impact	Location	Summary	Key finding	Key action
Event 1 Jun '11 (Patient was happy with overall outcome of surgery)	T&O / Theatres SH	Wrong sized insert (one part of complete implant) was used in knee replacement - Required further surgery	Human error during implant checking process	Development, implementation and audit of intra-operative implant checking process
Event 2 Jun '11 (Patient was happy with overall outcome of surgery)	Ophthalmology Theatres SH	Biometry readings for right eye used to select lens strength for left eye	Limited documentation available at time of surgery and erroneous but plausible clinical assumption/judgement	Standardisation of documentation and pre-surgery checking of documentation
Event 3 Jul '11 (Patient was happy with overall outcome of surgery)	Ophthalmology Theatres SH	Wrong strength lens selected and implanted during cataract surgery	Human error of transcription of lens power from biometry reading	Redesign documentation to remove need for transcription

Retained foreign object post – operation : 2 events

Impact	Location	Summary	Key finding	Key action
<p>Event 1 Jun '11</p> <p>(Patient was happy with overall outcome of surgery and investigation)</p>	<p>T&O / theatres SH</p>	<p>Foreign object (screw) not detected before closure of wound and patient in recovery Required further surgery</p>	<p>Lack of team appreciation of missing screw and compliance with requirements to x-ray before wound closure</p>	<p>Review / launch Policy re: x-ray before wound closure Clarify roles and processes for raising patient safety concerns during surgery</p>
<p>Event 2 Sept '11</p> <p>No long term effects</p>	<p>Obstetrics BHH</p>	<p>Vaginal swab left in situ after perineal repair</p>	<p>Swab counting procedures and lack of compliance with local policy to only use medium swabs after perineal suturing</p>	<p>Local policy awareness Procurement of delivery pack which only contains medium swabs</p>

Themes:

1) There is no theme in the main root causes of these incidents. Contributory factors associated with communication and culture in theatres have been explored via responsive safety review and action plans in place to support findings

2) Although the root causes were different, both ophthalmology incidents highlighted a need to review / standardise documentation to support the cataract pathway

Other factors:

In 2011/12 the number of national never events which are applicable to this Trust has increased from 11 to 22 and the definition of these never events has become much tighter

Both of the ophthalmology incidents could be interpreted as outside the criterion of the never event as further surgery was not required and the patients were happy with the outcome of their surgery

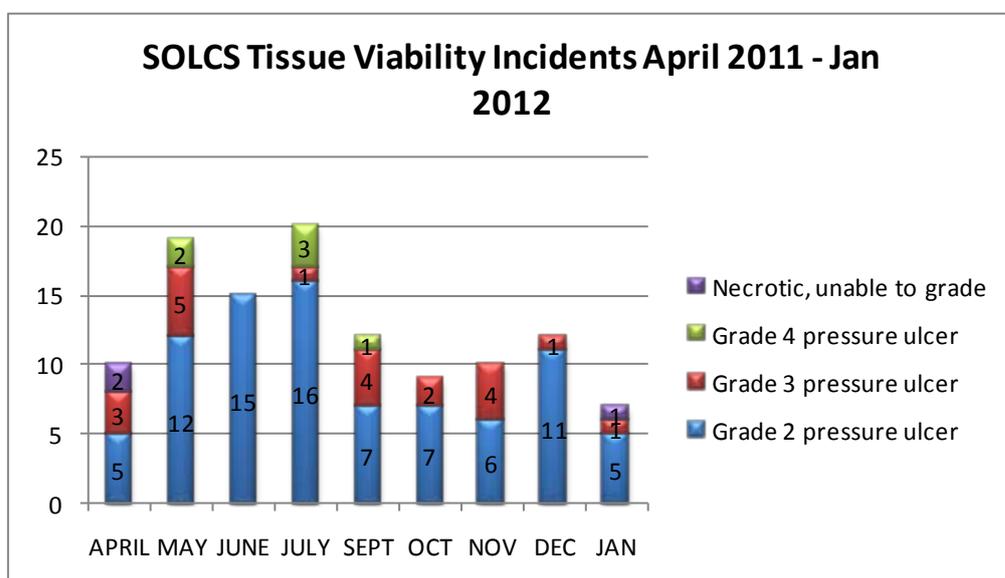
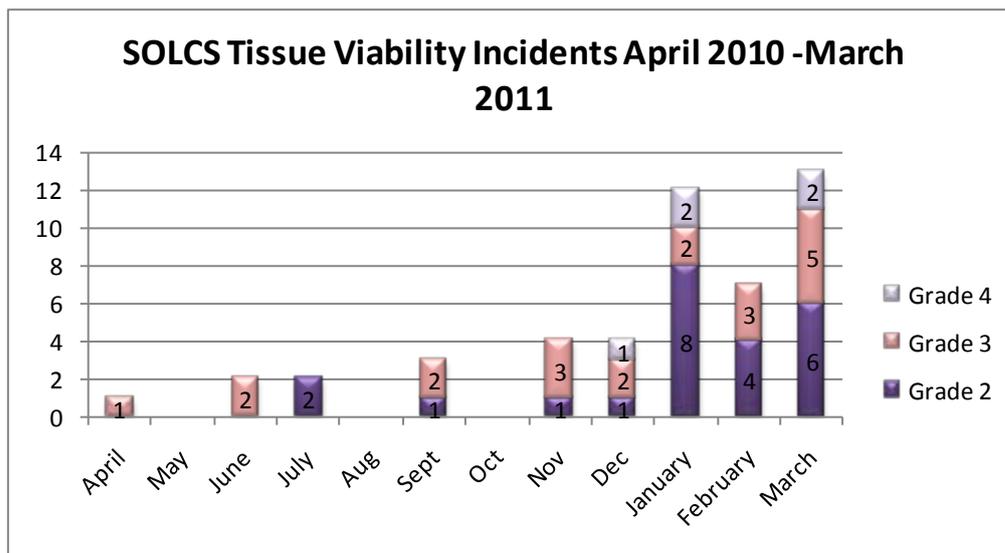
Solihull Community Services

The quality of the care that SCS delivers across the health economy is managed in a number of ways, including:

- Through a number of expert committees and forums, such as the Policies and Procedures Committee, which review new and existing documentation and ensure that this reflects best practice, considers patient safety and the effectiveness of the care and is readily accessible by staff.
- Scrutiny by experts of information reflecting the safety, effectiveness and experience of the care delivered. These include public representatives who are members of various committees and groups within the organisation.
- Sending through of quality, safety and performance information to each service to be reviewed by staff at their quality and performance forums so that action plans can be put in place to address any issues.

The governance arrangements within community services are being reviewed to enhance the structure of reporting and monitoring quality and safety. Below are further examples of the ways in which quality is managed and supported through systems and procedures within the organisation:

- **Serious Untoward Incident (SUI) Forum**
The forum has ensured that SCS has a robust mechanism for identifying and acting on SUIs. In addition, on-going actions are reviewed and service managers attend meetings to discuss progress. This has given assurance that actions have been implemented and supported where necessary.
- **Management and investigation of avoidable pressure sores**
The SUI forum reviews the incidents related to patients who have developed pressure sores to see where improvements could be made in care and what actions need to be considered to avoid pressure sores. Corrective action plans are developed and lessons learnt are shared across the services. The number of pressures sores reported as SUIs continues to be reviewed by the forum and data from 2010/11 has been used as a benchmark to review improvements resulting from the work driven through the forum during 2011/12.



The graphs above indicate much improved reporting of pressure sores which are reviewed through the forum. Improvement work is underway to review current standards in the management and care of patients with wounds within SCS district nursing teams. This includes developing a standard operating procedure to support consistency around care, training for staff and awareness for patients and their carers.

- National Patient Safety Alerts (NPSA)**
 SCS continues to achieve 100% compliance with implementing National Patient Safety Agency alerts within the set timescales. This is supported by the service improvement team. SCS has strengthened governance arrangements by providing detailed reports to quality and performance meetings where alerts are reviewed, monitored and supported by managers.
- National Institute for Health and Clinical Excellence (NICE) guidance**
 Best practice is maintained through the implementation of NICE guidance which continues to be reviewed and monitored monthly by the service improvement team reports which are produced for management teams and commissioners. SCS has

reviewed implementation by undertaking clinical audits related to several areas of relevant guidance. Monitoring arrangements are strengthened by reviewing routine reports at service quality and performance forums to gain further assurance that actions and recommendations are being supported and implemented.

Clinical Effectiveness

Clinical Standards

The Trust is committed to improving clinical standards to improve the quality and safety of the services it provides. The Clinical Standards Committee is responsible for embedding clinical audit and guidelines as tools to deliver improvements to patient care and services. The areas of focus for the Committee are:

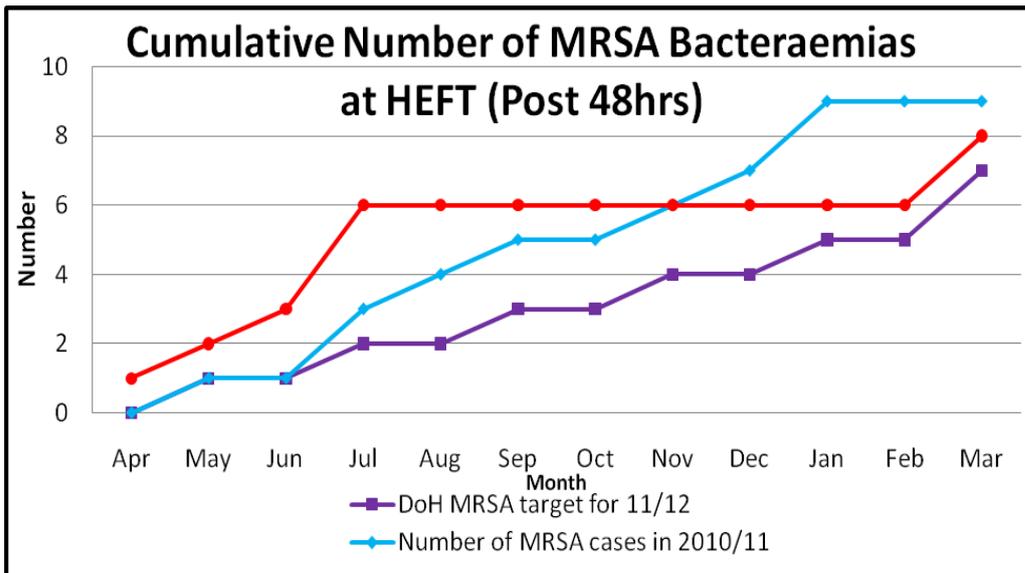
- To ensure the development and implementation of effective clinical audits.
- To receive regular updates on the progress of the Trust's annual audit plans.
- To review and approve local clinical guidelines ready for use.
- To review progress with implementation of national guidance (in particular NICE), priorities for implementation, speed of implementation and any potential risks associated with non-implementation.

The Committee works with clinical directorates to promote best practice and drive improvements in these areas and reports to the Governance and Risk Committee (a Trust Board level committee).

Infection Control

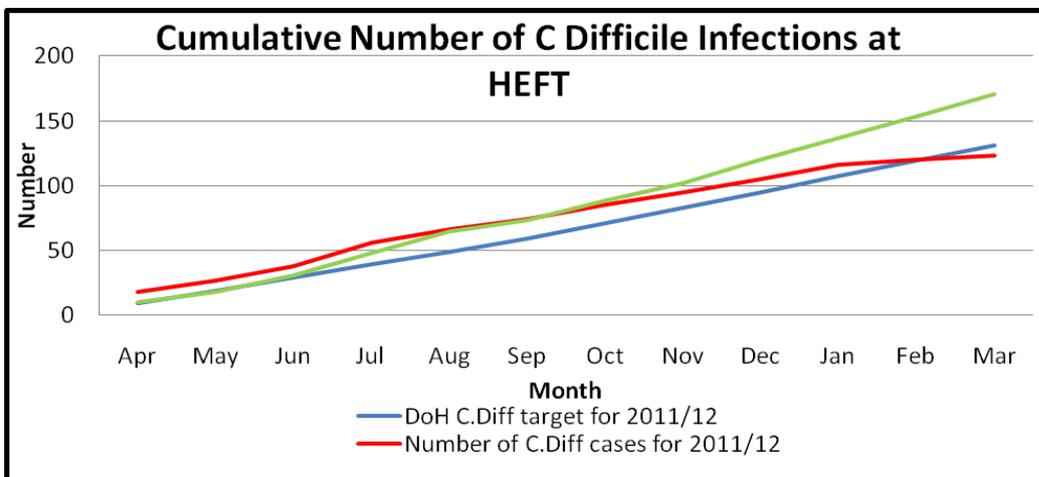
Acute Services

Although the Trust narrowly missed achieving the MRSA reduction trajectory, it has continued to demonstrate a reduction in post 48 hours MRSA bacteraemia during 2011/12. Eight bacteraemias were recorded, against a target of seven (compared to nine against a target of 14 in the previous year).



Despite a very challenging target, the Trust was successful in achieving the C.difficile trajectory. As at 31 March 2012, there were 123 cases, this compares to the target of no more than 131.

The diagnosis of C.difficile was changed in September 2011 as recommended by the SHA to dual test method. This was also associated with the change in reporting and all polymerase chain reaction (PCR) positives were reported to the National Data Capture System. In February and March 2012 another reporting change was made to include PCR positives which are also toxin positives. This change was agreed by the SHA.



During the year the infection prevention and control team has focused training on C.difficile management.

Progress

The infection prevention and control team has continued an active teaching and audit programme. There has been a good overall improvement of audit scores particularly in the Saving Lives audit programme, hand hygiene and commode cleanliness. Infection control

scores on the nursing metrics have also improved. The team continues to be involved in the considerable number of new build and refurbishment programmes during the year particularly at Good Hope. Compliance with MRSA screening continues with approximately 90% now reported for emergency admissions on a matched patient basis (this is recognised to be the most accurate reporting system although technically difficult). Full compliance is reported for elective admissions.

Innovation

As part of E.coli bacteraemia surveillance the team has developed and is currently piloting a health economy catheter passport to improve the management and reduce infection in catheterised patients.

The team completed a successful research-funded project using adenosine tri phosphate (ATP) measurements of cleanliness in wards having a period of increased incidence of C.difficile. Results will be published later in the year. The process has been implemented as part of the Trust C.difficile reduction initiative.

In collaboration with the orthopaedic directorate, a temporary research nurse was appointed this year (with commercial sponsorship) to monitor infection after orthopaedic surgery. This included detailed post discharge follow up assessment of potential benefits of an improved skin preparation technique.

The team and antibiotic pharmacist also took part in the European point prevalence study of hospital acquired infection at Good Hope. When data is published in April 2012 we will be able to benchmark against other European hospitals which took part for both healthcare acquired infections and antimicrobial prescribing.

In collaboration with MIDRU and the virology department, the team started a research study in January examining alternative specimen collection to detect norovirus outbreaks. The aim of this study (funded by in-house winter pressure money) is to improve the speed by which norovirus outbreaks can be confirmed.

Solihull Community Services

The dedicated Infection Control Operational Committee supports reviewing, preventing and improving infection control across SCS. The Committee is made up of a mixture of clinical professionals and infection control experts. For the past two years SCS has had no reported cases of MRSA or C.difficile. SCS also continued to achieve 100% compliance in screening this year, as was the case in the previous two years.

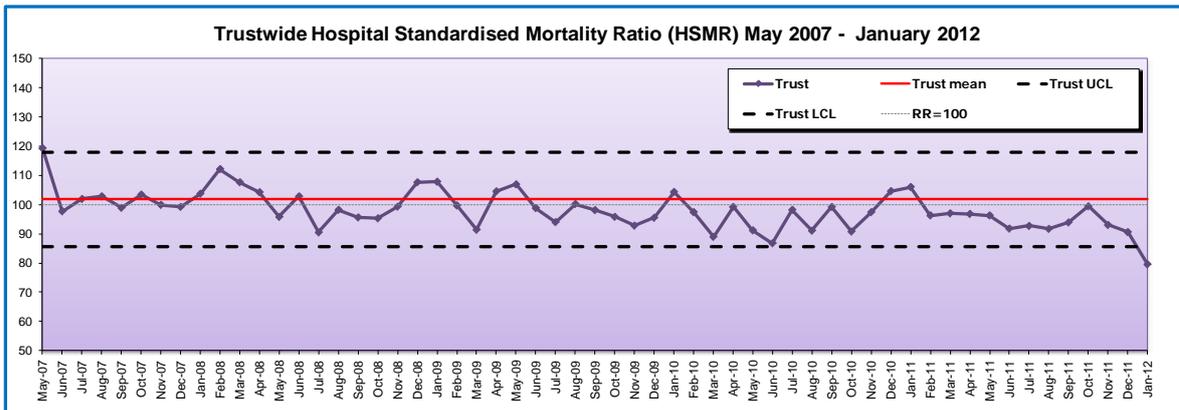
Mortality Statistics

The Trust has monitored its monthly mortality rate using the Hospital Standardised Mortality Rate (HSMR), which is provided by Dr Foster, over a number of years. From October 2011 a new mortality indicator was produced and is to be published quarterly by the Health and Social Care Information Centre. The Summary Hospital-level Mortality Indicator (SHMI) is different to the HSMR in that, in addition to counting deaths in hospital, it counts deaths 30 days after discharge and includes death from all diagnoses as opposed to 80% of diagnoses used to calculate the HSMR. Both HSMR and SHMI are based on a ratio of the observed number of deaths in a Trust over a period of time divided by that expected, given the characteristics of the patients treated by the Trust. SHMI is reported using 1 as the baseline as opposed to 100

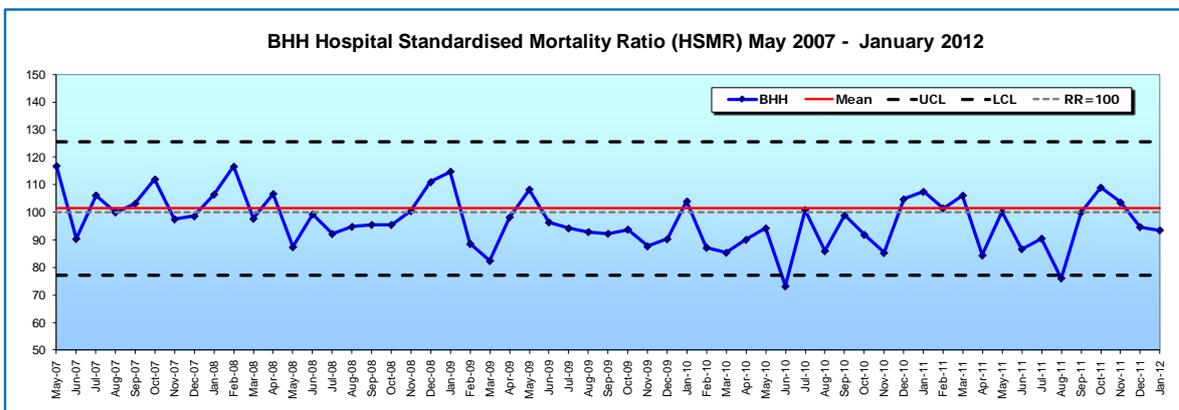
for HSMR. The SHMI covers a 12 month period but six months in arrears. HSMR is available three months in arrears as monthly, year-to-date accumulative and annual HSMR.

The trends in HSMR for the Trust and by site are shown below demonstrating natural monthly variation and a progressive downward trend at Heartlands and Good Hope Hospitals. The HSMR for the year to date is now below the national average which is always 100.

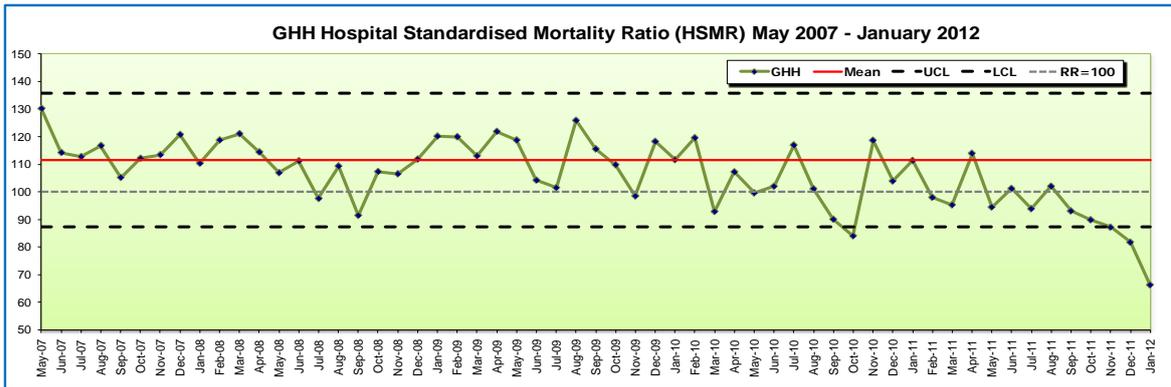
Graph 1: Trust-wide HSMR



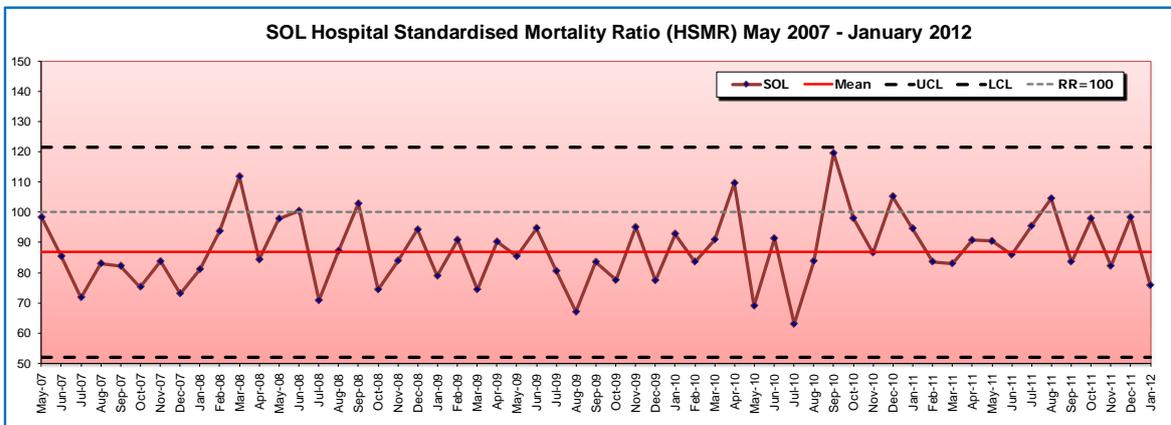
Graph 2: Heartlands Hospital HSMR



Graph 3: Good Hope Hospital HSMR



Graph 4: Solihull Hospital HSMR



Please note that the **“Mean”** value on all 4 graphs has been set to the mean of the first 20 months’ values on each chart.

One SHMI value is calculated for each trust. The baseline SHMI value is 1. A trust would only get a SHMI value of 1 if the number of patients who die following treatment there was exactly the same as the number expected using the SHMI methodology. The SHMI indicator gives an indication of whether the mortality ratio of a provider is as expected, higher than expected or lower than expected when compared to the national baseline (England).

The SHMI values are categorised into one of the following three bandings:

- 1 – where the trust’s mortality rate is ‘higher than expected’
- 2 – where the trust’s mortality rate is ‘as expected’
- 3 – where the trust’s mortality rate is ‘lower than expected’

The first three published SHMI figures place the Trust within the “as expected” band for mortality.

- October 2011 = 1.0317 (relates to patients admitted during the period April 2010 – March 2011)

- January 2012 = 1.0407 (for the period July 2010 - June 2011)
- April 2012 = 1.0203 (for the period Oct 2010 - Sept 2011)

Both the SHMI and HSMR require careful interpretation, and should not be taken in isolation as a headline figure of Trust performance. They are an indication of whether individual trusts are conforming to the national baseline of hospital-related mortality. All trusts are encouraged to explore and understand the activity which underlies their SHMI and HSMR from their own data collection sources.

It should be noted that there is a difference between the two indicators with the Trust's HSMR being within expected range but below the national average of 100 and the SHMI being within the expected range but above the national average. The Trust is undertaking further analysis to explore the possible reasons for this and this may help to identify areas for focused improvement.

In September 2011 the Trust received notification that an analysis undertaken by CQC had indicated a significantly higher mortality rate at the Trust for emergency admissions with the diagnosis coded category of HRG H41 (sprains, strains or minor open wounds aged over 69 or with complications or co-morbidities). The CQC advised that this healthcare resource group, HRG H41, would not necessarily reflect the cause of death for these patients from April 2010 – March 2011 but requested the Trust to review. A review and analysis of these cases has been undertaken and CQC is currently considering the response.

Patient Experience

Acute Services

The Trust remains committed to listening to patients, their relatives and carers to improve further the quality of services provided. This includes building on last year's initiatives to capture the experience of patients, their families and other users across the majority of services.

Corporate Nursing

Over the last six months, the senior nursing and midwifery team has trialed a new approach for the monitoring and improvement of nursing and midwifery performance to enable a more robust assurance position to be given to the organisation. Chaired by the Trust's Deputy Director of Finance and Deputy Chief Nurse, the Nursing and Midwifery Performance Committee is based on the Trust Finance and Performance Committee and has met monthly. A ward performance dashboard has been developed with overarching scorecards for all sites. The head nurses and the head of midwifery report to the Committee when progress is outside what is expected.

This is following on from the work that has been carried out over the last couple of years with nursing metrics which were detailed in last year's Quality Account. Below are some examples of continued improvements in Trust-wide nursing performance since the implementation of the metrics system:

- Overall Trust-wide pressure ulcer prevalence has seen a steady decrease and has dropped from 3.22% (January 2011) to 2.74% (December 2011).

- The percentage of severe hospital acquired pressure ulcers (grade 3 and above) has reduced from 0.72% (January 2011) to 0.27% (December 2011). This equates to just four patients in the Trust.
- The metrics nursing care indicators for tissue viability assessments have improved from 91% in October 2011 to 92% in December 2011.
- The use of hospital inserted urinary catheters has continued to reduce each quarter from 12.28% in September 2010 to 10.56% in December 2011
- The metrics nursing care indicators for continence assessments have improved from 93% in July 2011 to 95% in September 2011
- The falls rate for inpatient falls has decreased from 11.5 in Quarter 4 2010/11 to 10.8 in Quarter 3 2011/12.
- The metrics nursing care indicators for falls assessments have improved from 92% in October 2011 to 95% in December 2011.

An example of a ward performance dashboard:

	Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011	Jun 2011	Jul 2011	Aug 2011	Sep 2011	Oct 2011	Nov 2011	Dec 2011	Jan 2012	Feb 2012
Medication Storage and Custody	↑ 94%	↓ 91%	↓ 90%	↑ 91%	↑ 94%	↓ 93%	↓ 90%	↑ 94%	↑ 96%	↑ 97%	↑ 98%	↓ 97%	↓ 97%	↓ 97%
Infection Control & Privacy & Dignity	↑ 93%	↓ 92%	↑ 95%	↓ 94%	↓ 93%	↑ 94%	↑ 95%	↓ 93%	↑ 95%	↓ 95%	↓ 94%	↑ 95%	↓ 94%	↑ 95%
Patient Observations	↑ 90%	↓ 89%	↑ 92%	↓ 91%	↑ 91%	↓ 91%	↓ 91%	↑ 93%	↓ 93%	↓ 91%	↑ 92%	↓ 92%	↑ 93%	↓ 91%
Pain Management	↑ 95%	↑ 96%	↑ 97%	↓ 96%	↑ 96%	↓ 94%	↑ 95%	↑ 96%	↓ 96%	↓ 95%	↑ 97%	↑ 98%	↓ 97%	↓ 97%
Tissue Viability	↑ 88%	↑ 89%	↑ 94%	↓ 93%	↓ 91%	↑ 93%	↓ 92%	↑ 93%	↑ 94%	↓ 92%	↑ 94%	↓ 91%	↑ 93%	↓ 92%
Nutritional Assessment	↑ 85%	↑ 88%	↑ 89%	↓ 89%	↑ 91%	↓ 91%	↓ 89%	↑ 92%	↓ 91%	↓ 90%	↑ 92%	↓ 89%	↑ 93%	↓ 92%
Falls Assessment	↑ 89%	↑ 90%	↑ 93%	↓ 92%	↓ 90%	↑ 92%	↓ 92%	↑ 95%	↑ 96%	↓ 93%	↑ 95%	↓ 93%	↑ 94%	↓ 94%
Continence Assessment	↓ 78%	↑ 86%	↑ 89%	↓ 87%	↓ 86%	↑ 91%	↓ 90%	↑ 91%	↑ 93%	↓ 89%	↑ 94%	↓ 91%	↑ 93%	↑ 94%
Diabetes	↓ 65%	↓ 64%	↑ 81%	↓ 76%	↓ 75%	↑ 81%	↑ 86%	↓ 81%	↑ 83%	↓ 77%	↑ 87%	↓ 87%	↑ 88%	↑ 89%
Total	↑ 88%	↓ 90%	↓ 93%	↓ 92%	↓ 91%	↑ 92%	↓ 92%	↑ 93%	↑ 94%	↓ 92%	↑ 94%	↓ 93%	↑ 94%	↓ 94%

An example of a scorecard:



Complaints Management

“You have the right to:

- Have your complaint dealt with efficiently and properly investigation;
- Know the outcome of any investigation into your complaint;
- Take your complaint to the independent Parliamentary and Health Service Ombudsman if you are not satisfied with the way the Trust has dealt with your complaint;
- Make a claim for judicial review if you think you have been directly affected by an unlawful act or decision of an NHS body, and;
- Receive compensation if you’ve been harmed.” (NHS Constitution)

	2011/12	2010/11	2009/10
Complaints Received	839	1011	992
% change in year	-20.5%	+1.9%	+14%
Response within deadline	73.95%	71.7%	52.4%
Complaints referred to PHSO in year	17	22	82

The complaints and PALS teams were merged (in January 2012) which enabled there to be a Patient Services function providing a manned telephone and appointment service for complainants between the hours of 9am – 5pm (Monday – Friday). In addition, all calls are recorded for monitoring and training purposes providing an accurate record of all concerns, queries and any agreed actions.

Compliments

Compliments are recorded and monitored by the Survey Team on behalf of the Trust. A selection of comments received are summarised below:

“I spent nine days on ward 11 at Heartlands, the nurses and staff were so helpful and polite. The food was good and always served hot, this made my stay in hospital a pleasant experience.” (Ward 11 – April 2011)

“Excellent communication between nurses and doctors ... always treated with respect and I felt confident I was in safe hands.”(Outpatient – May 2011)

“I have noticed all the hard work that everyone puts into the department... you have done a wonderful job.”(Outpatient – May 2011)

“All of the staff was very polite, doctors nurses and cleaners. The staff spoke on the same level as myself which is very important – none of them talked down to me” (Inpatient – July 2011)

“The standard of nursing on the ward was good I was particularly impressed with theatre staff who were friendly, helpful and attentive ...very impressed (Inpatient - August 2011)

“One visit to outpatients is not a basis to recommend a particular hospital in general. So reference my experience I was treated with respect, courtesy and was very happy with the professional way I was dealt with.” (Ophthalmology OPD - December 2011)

“My care at Heartlands on ward 24...I could not have been treated better. The doctors and the staff were great.” (Ward 24 – May 2011)

“I have been attending Good Hope for the last 20 months, the care and attention I have received has been second to none, right from reception at A&E up to wards. There have been a couple of hitches, but they were sorted out right away. I always say things can and will always go wrong, it's the way they are put right that counts. I have always been treated with care and respect. The staff are under a lot of strain, but I have found they cope very well and always have a smile. I had a short stay as an inpatient, everyone was wonderful.” (Physiotherapy and Trauma Clinic – December 2011)

“I found the clinic well organised and was seen quickly, initial check by nurse, then more detailed examination by senior nurse who was thorough and reassuring, the whole appointment was completed in around 30 - 40 minutes.” (Glaucoma Clinic – December 2011)

Quality Improvement Comments

The team also receives a considerable amount of quality improvement comments from patients and relatives via the Patient Experience Survey (PES). This survey is sent to 200 random patients each month and all of the comments are recorded in a database and fed back to relevant teams.

Below is a recent example for Solihull Breast Clinic:

Date	Site	Description	Location	Specialty
26-Jan-2012	SH	Breast clinic, we were informed delay was due to meetings that are held each Thursday, consultants did not arrive until 3.30, clinic start at 2pm, my first appt was 2.15pm we expressed our concerns to staff. After this staff member went back to others to say we were complaining, we were given a number to contact. It took ages to put up a delay sign (1 hour 15 minutes).	Outpatient Dept	General Surgery
24-Jan-2012	SH	Breast Clinic - over 2 hours late on two occasions, no one told you or explained why, very poor.	Mammo-graphy	General Surgery

Reschedule Breast Clinic at Solihull:

- The clinic is running on average 2 hours over the time the nurses should finish duty, we cover this with time owing. (Nurse OPD)
- We need to redesign Thursdays. Move some of these patient to another - FU, Results etc. (Clinical Director General Surgery and Gastroenterology)
- The fast track clinics should have a completely dedicated slot. Spread the post op results and new results in the follow up clinics. There is a need of another clinic (can be nurse-led) especially looking into young patients (under 30's) non-fast track clinics. All over 30's should attend fast track clinics. We also have older patients in non fast track clinics complaining about not having their imaging on the same day. (Specialist Registrar General Surgery)

PPI Surveys 2011-12

The survey team conducts surveys on behalf of wards and departments across the Trust and these are summarised as follows:

No	Title	Sample	Response	Compliments	Improvement
1	National Outpatient Survey	850	378	151	83
2	National Inpatient Survey	850	349	160	104
3	Bereavement Survey	1,000	472	236	213
4	Patient Experience Survey (PES)	8,000	2,575	676	756
5	Inpatient Metrics Programme	21,160	7,232	None	
6	Discharge Survey	1,257	545	45	63
7	Anaesthesia (Gynaecology) Survey	60	37	None	
8	Immunology Survey	50	44	None	
9	Retinopathy Survey	3,000	1,565	201	179
10	Paediatrics Assessment Unit (PAU)	200	74	19	5
11	Ward 12	100	17	6	4
12	Ward 24	100	20	4	2
13	Infection Control	100	9	9	
14	Corporate Affairs Survey (Online)	500	331	15	59
15	Dermatology Survey (Mohs Treatment)	118	97	40	19
16	Stoma Survey	150	39	8	2
17	Paediatrics Inpatient Survey (Online)	500	270	None	
18	Cardiac Rehabilitation Survey	100	56	11	10
19	Anaesthesia Quality Audit	600	478	None	
20	Critical Care Practitioner	100	62	17	1
20	Total	38,795	14,650	1598	1500

The Trust has significantly increased the number of patients given opportunities to share views on the quality of their care, most notably through the Patient Metrics Programme.

Comparison of patients surveyed and quality comments between 2011-2012							
Year	Patients sampled	Total responses		Total compliments		Total improvement	
		n	%	n	%	n	%
2011/2012	38,795	14,650	38%	1,598	52%	1500	48%
2010/2011	16,325	5,044	31%	1,632	51%	1,588	49%

The feedback the Trust receives from patients, relatives and carers is used to improve the services the Trust provides:

Survey	Improvement area	Action
Elderly Care (Ward 12)	Relatives want to be more involved with patient care – a lot of patients lack capacity and are unable to help staff understand about them.	<p>Ward 12 is launching “About Me”. This can help ensure the patients’ individual needs and likes are known and hopefully this will make their time in hospital more pleasant but may also facilitate their discharge by helping staff understand what is normal for them.</p> <p>A (band 2) health care assistant (HCA) is to lead on this as she is passionate about care of patients with dementia, supported by a (band 6) Sister.</p> <p>The HCA is also trialing reminiscence therapy using supplies bought from funds donated by the Friends of Solihull Hospital. This will help with the patient experience by not only providing stimulation to some of the patients but also ensuring that the other patients and nursing staff have more time for each other by taking some patients off the ward and into the dayroom for a short period.</p>
Gynaecology and Maternity Services Update	Women left alone during labour and perception units short staffed.	<ul style="list-style-type: none"> • Inpatient gynaecology has a new ward, Heartlands – ward 1, completely refurbished and reconfigured to the design of the gynaecology team with: <ul style="list-style-type: none"> ○ 15 inpatient beds ○ A new side-room with ensuite facilities for miscarriage management ○ A 12 hour area for rehydration in cases of hyper emesis ○ Gynaecology emergency assessment unit with ultrasound scan facilities • A newly refurbished gynaecology theatre (theatre 6) to support the inpatient beds. • Refurbishment of the antenatal clinic waiting rooms at Good Hope and Solihull Hospitals. • Creation of a flexible capacity bay (four beds) to

		<p>alleviate times of highest demand – Heartlands Hospital maternity.</p> <ul style="list-style-type: none"> • Refurbishment and extension of the midwifery led unit at Good Hope Hospital – two pools and complete refurbishment. • Elective caesarean sections on the labour ward at Heartlands were always being cancelled for emergency cases. Now the Trust has a dedicated elective theatre and theatre team so they can be done as scheduled and it is much more organised. The Trust is in the process of doing the same at Good Hope.
<p>Bereavement Survey (ongoing annual survey)</p>	<p>Trust-wide 13% of relatives rate communication as 'poor'. 21% of relatives not informed about patient's decline.</p>	<p>The Trust's Faculty of Education now offers a comprehensive programme to medical staff, the seven modules on End of Life Care include:</p> <ul style="list-style-type: none"> • End of Life Care: Introduction to End of Life Care - Single Study Day • End of Life Care: Communication and Bereavement - Single Study Day • End of Life Care: Degree Module • End of Life Care: Management and Evaluation of End of Life Care - Single Study Day • End of Life Care: Models of End of Life Care - Single Study Day • End of Life Care: Simulation Training for Hospital Nurses • End of Life Care: When a Patient Dies - Single Study Day
<p>Discharge Survey</p>	<p>The Trust's patients experiencing delays during discharge significantly higher than national average.</p>	<p>The 'Jonah' programme has been developed using principles of Lean, Six Sigma and Theory of Constraints, all of which support effective operational management. A key feature has been visual management to ensure the planned patient journey is visible, along with their progress. There is a heavy emphasis on coaching to develop leadership, improvement and problem solving skills at ward level.</p> <p>The aim of 'Jonah' is to provide safe and timely care as planned by the multi-disciplinary team. Experience has shown this will reduce length of stay and increase the number of patients who are discharged as planned each day.</p> <p>At ward level it focuses on individual patients and engages the multi-disciplinary team in setting and delivering a planned date of discharge. The focus is on defining clear plans for the patient's stay on the ward. This is supported by an infrastructure of daily buffer meetings and the opportunity to escalate and</p>

		<p>resolve problems and delays. Some constraints will be external to the Trust. These will be resolved through a process of escalation with external providers.</p> <p>There is a clear emphasis on developing a culture which ensures delays are highlighted and solved without blame thus ensuring a focus on ward or unit based problem solving.</p>
Retinopathy Survey	Reaching patients with education for screening. Heart of Birmingham and Birmingham East and North are the two hotspots for social deprivation and lack of education producing higher 'Did Not Attend' rates.	<ul style="list-style-type: none"> • Community initiatives: Working with multi-disciplinary health care professionals who lecture on diabetic eye disease to local groups, providing education support to empower patients. The first seminars are being rolled out. • Improving education information for GP medical centres. • The importance of eye screening local radio information adverts. • A low budget community video may easily be produced via the Trust's medical illustration department to encourage people to attend their eye screening treatment appointments and reduce patient's fears.
Cardiac Rehabilitation	Patients thought the rehabilitation sessions were being held in inappropriate rooms.	Staff relocated the session to the lecture centre in the Solihull Education Centre.
Immunology Survey	Availability of warm refreshments for patients	Warm drinks are now available during treatments (cold drinks have always been available). The Trust now has implemented a "Tea & Coffee" round which has gone down extremely well. A future development is the implementation of evening treatment clinics for those who work full time.

Solihull Community Services

Results of Satisfaction Survey

The following graph illustrates the responses for 2011-12 from the patient satisfaction surveys across services. It demonstrates that the majority of service users have given positive feedback; any indication of negative feedback is followed up with the service in question for review. Some examples of how SCS responded to feedback received are detailed further on in this Quality Account. SCS will continue to seek feedback from its patients and will be

developing a similar method for seeking feedback from carers, different client groups and 'hard to reach patients'.

Patient Satisfaction Feedback 2011- 2012

SCS also continues to review the number of clinics cancelled and the number of patients affected. Reasons for cancellations are reviewed at service Quality and Performance forums and by the Divisional Management Team. This information is also reported to lead commissioners.

SCS has maintained the same average number of clinics cancelled as last year (2%). SCS will continue to review and monitor its clinics locally and through the governance arrangements.

Complaints and Compliments

SCS actively monitors compliments and complaints received. SCS ensures managers are aware of the types of complaints and the responses sent to patients and their carers for their service. Information about complaints, compliments and Patient Advice Liaison Service queries are reviewed at service quality and performance meetings, and are reported via the quality and safety dashboard.

SCS continues to collect feedback from service users around experience and satisfaction of the care they received. Following are examples of positive comments as well as improvements made as a result of negative comments. These are shared with staff, managers and executive leads. Comments are reviewed by service managers and action plans for improvement are implemented where appropriate.

Positive feedback:

"I am writing to express my sincere thanks to you and your team for the care given and the help and guidance shown to myself and family during the last few weeks. You were such a help to us when we needed you most." (Service user - Macmillan Service)

"Informative, friendly and reassuring consultation and IUD check. They did not rush me and helped me to make the decision on the most appropriate contraception for me." (Service user - Contraceptive and Sexual Health Service)

"Thank you very much for the wonderful care I have received whilst I have stayed with you. Thanks." (Service user - Single Point of Access and Intermediate Care Service)

"We just wanted to thank you for all the wonderful care and consideration you showed Mum and the family. Your support was much appreciated at our difficult time." (Service user - Integrated Locality Team Service)

"I realise I am very lucky to be helped by this service. It has improved my quality of life immensely." (Service user - Continence Service)

"Very professional service driven by desire to improve quality of life...I was having private aids but now will stay with NHS." (Service user - Audiology Service)

"The service has been available and has supported me to enhance my son's dental health." (Service user – Special Care Dental Service)

"Excellent team, very friendly - helpful." (Service user - Children's Community Nursing Team Service)

Examples of how SCS has made improvements following negative feedback:

Patient safety – supporting hand hygiene – feedback from responses to hand hygiene were shared with the infection control team with the suggestion that improvements could be made. The team held awareness sessions with staff and service users. This reinforced the message of the importance of good hand hygiene. Staff infection control training and hand hygiene related resources in clinics were also reviewed. The Essential Steps clinical audit which supports infection control standards - including hand washing - is undertaken throughout the year.

Patient expectations – one service received negative feedback from a service user who was dissatisfied with the care they received and suggested that the care was not what they expected. The service lead reflected on the feedback and has now introduced care action plans as a standard part of the reporting process. This will help support and understand the expectations the service user has at an early stage alongside what the service is able to deliver. This supports delivering a more effective service and improves patient experience.

Department of Health Operating Framework

During 2011/12 the Trust has continued to respond to the NHS operating framework targets.

Earlier in this Quality Account an update has been provided on the Trust's performance and commitment to reducing healthcare associated infections.

The Trust continues to review the services it provides, and the systems and processes that support them, in order to ensure that they are accessible to patients as the Trust recognises that providing timely access contributes to a positive patient experience.

The Trust is committed to working with other healthcare organisations to improve health and reduce inequalities. This document also provides an update on the Trust's stroke service and the processes the Trust has in place for risk for assessing of VTE, ensuring staff have up to date mandatory training as well as improving patient experience.

The Trust's priorities for the coming year focus on reducing patient falls, pressure sores, improving the clinical outcomes of patients with fractured neck of femur and looking at the fundamentals of care. This specifically looks at pain management, communications, privacy and dignity and nutrition.

The Trust is committed to improving the patient experience through patient and staff engagement. Earlier in this document an update was provided on key initiatives that have taken place for obtaining feedback from patients. Improving patient satisfaction has been retained as a key quality priority for 2011/12.

The Trust has comprehensive emergency planning arrangements in place. These plans are regularly tested with colleagues in the wider health economy.

Local and National Priorities

Description of Target	Target	2010/11	2011/12
Reduction of incidence of Clostridium (post 48 hours) *	131	171	123
Reduction of incidence of MRSA bacteraemia (post 48 hours)	7	9	8
Patients first seen by a specialist within 2 weeks when urgently referred by their GP or dentist with suspected cancer. Month in Arrears	>=93%	94.04%	94.62%
Patients first seen by a specialist within 2 weeks when urgently referred by their GP with any breast symptom except suspected cancer. Month in arrears	>=93%	94.81%	94.74%
Patients receiving their first definitive treatment within 1 month (31 days) of a decision to treat (as a proxy for diagnosis) for cancer. Month in arrears	>=96%	98.62%	97.33%
Patients receiving subsequent treatment (surgery and drug treatment only) within 1 month (31 days) of a decision to treat – Anti cancer drug modality. Month in arrears	>=98%	100%	100%
Patients receiving subsequent treatment (surgery and drug treatment only) within 1 month (31 days) of a decision to treat – Surgery modality. Month in arrears	>=94%	98.43%	97.57%
Patients receiving their first definitive treatment for cancer within 2 months (62 days) of GP or dentist urgent referral for suspected cancer. Month in arrears	>=85%	85.62%	85.44%
Patients receiving their first definitive treatment for cancer within 2 months (62 days) of urgent referral from the National Screening Service. Month in arrears **	>=90%	99.44%	98.14%
Referral to treatment waiting times – admitted (95 th percentile)	≤23 weeks	NA	21.57
Referral to treatment waiting times – non admitted (95 th percentile)	≤18.3 weeks	NA	15.48
Maximum waiting time of 4 hours in A&E from arrival, to admission, transfer or discharge	>=95% target	95.41%	95.97%
Self certification against compliance with requirements regarding access to healthcare for people with a learning disability	Meeting 6 out of 6 criteria	6 out of 6	6 out of 6

*C.difficile: A positive case for the indicator is as follows:

- Patients aged two or more;
- A positive laboratory test result for CDI recognised as a case according to the Trust's diagnostic;
- Positive results on the same patient more than 28 days apart should be reported as separate episodes, irrespective of the number of specimens taken in the intervening period, or where they were taken.
- The Trust is deemed responsible. This is defined as a case where the sample was taken on the fourth day or later of an admission to that trust (where the day of admission is day one).

In terms of the Toxin/PCI (carrier C.difficile cases) specifics, the Trust started from April 2011 reporting just toxin figures. From September 2011 the Trust started including PCI cases in their reported figures also. There was a further change in the reporting of C.difficile cases in February. The Trust reverted back to reporting just toxin cases. The Trust agreed this approach with the SHA.

** 62 day cancer wait:

- The indicator is expressed as a percentage of patients receiving first definitive treatment for cancer within 62 days of an urgent GP referral for suspected cancer.
- An urgent GP referral is one which has a two week wait from date that the referral is received to first being seen by a consultant.
- The indicator only includes GP referrals for suspected cancer (i.e. excludes consultant upgrades and screening referrals and where the priority type of the referral is National Code 3 – two week wait).
- The clock start date is defined as the date that the referral is *received* by the Trust.
- The clock stop date is the date of first definitive cancer treatment

Quality Account Consultation

In preparing this Quality Account, the Trust has consulted widely, with a range of internal and external stakeholders:

- **Trust Governors' Forum**
The Trust has a Governors' Quality and Safety Committee, which is a sub group of the Governors' Consultative Council. All Governor committees were reconfigured in September 2011 to take into account the newly elected Governors. The new Quality and Safety Committee met for the first time in October 2011, with meetings in November 2011, December 2011 and February 2012. This group has received regular updates and presentations regarding progress with the existing priorities outlined in the Quality Account and has provided input into the new priorities and selection of the local indicator to be reviewed by the external audit. The group looked at venous thromboembolism in greater detail this year.

- Governors' Consultative Council (GCC)**
 The draft Quality Account was circulated to Governors on 24 April 2012 asking for comments. The final report was presented to the GCC on 23 May 2012.
- Stakeholder consultation events**
 Local stakeholder groups, service users and the Trust's volunteers were invited by the Trust to attend one of three half-day focus group workshops. To represent the communities served by the Trust's three hospital sites, the workshops were held in Solihull, East Birmingham and Sutton Coldfield.
- Quality Account group discussions**
 Quality Account group sessions were held at three separate day centres and were organised by Age Concern Birmingham, representing older adults, people with dementia, their relatives and carers. A further session was held in the Small Heath Community Centre to encourage attendances of black and minority ethnic residents.
- Overview and Scrutiny Committee Meetings**
 An update on the Quality Account process was given to Solihull Metropolitan Borough Council's Overview and Scrutiny Committee on 13 March 2012 and members were asked for their views on the proposed priorities. The final draft was circulated for comment on 4 April.
- Solihull Local Involvement Network**
 A presentation on the final draft of the report was given to the Solihull Local Involvement Network (LINk) committee meeting on 2 May 2012.
- Lead Commissioner**
 The Quality Account was circulated to the lead commissioner, Birmingham and Solihull NHS Cluster, inviting comment, on 4 April. The response is included in the next section, Statements from Stakeholders.
- Staff**
 A number of Trust staff have contributed to the development of this Quality Account and provided information to be included in it. The Account has been produced by Trust staff and staff Governors have had direct input via the Governors' Quality and Safety Group. Selection of the Trust priorities was led by the Trust's external stakeholders. For 2012/13, the intention is to work more closely with a wider range of staff representatives to influence the content of the next Quality Account.

Statements from Stakeholders

Birmingham and Solihull NHS Cluster

The Birmingham and Solihull NHS Cluster, as lead commissioner, welcomes the opportunity to provide this statement for the Heart of England NHS Foundation Trust (HEFT) 2011/12 Quality Account. It is recognised that the Quality Account refers to both the acute and community services that are delivered by HEFT.

This statement has been developed in collaboration with key leads across the Birmingham and Solihull NHS Cluster. Having reviewed the content of the draft Quality Account in line with the Department of Health guidance we can confirm that it is accurate, balanced and fairly interpreted, and the range of services described and priorities for improvement are representative based on the information that is available to us. We have fed back to the Trust a number of specific comments in relation to the account and to plans for next year. We will continue to discuss and monitor responses to this feedback during 2012-13.

We support the Chief Executive's opening statement that highlights the organisational commitment to further strengthening the focus on quality and safety. We also recognise the Trust's key priority to continue to improve patient experience through building on the initiatives implemented during the year. We note the publication of information relating to quality and safety of services on the Trust web-site and reporting about quality and safety to the public session of meetings of the Trust Board.

The Birmingham and Solihull NHS Cluster leads a number of quality assurance processes, including a monthly Clinical Quality Review Group, that hold HEFT to account for the quality of services. The group formally reviews, without limitation, any issues or concerns about quality and safety and ensures implementation of any recommendations or requirements for improvement. In addition, commissioners have led unannounced and themed reviews during the year relating to infection prevention and control and the management of pressure ulcers. These reviews and a collaborative approach to ensuring required improvements support Cluster priorities to eliminate avoidable pressure ulcers and healthcare associated infections. We anticipate extending this review programme during the next contract year.

We welcome the triangulated report on patient experience, complaints and nursing metrics and the clear commitment to using patient feedback to drive improvements. We have, however, highlighted in our feedback to the Trust the need for further work to reflect an approach that places a greater emphasis on delivering improvement in practices and outcomes on the basis of learning from patient's feedback. This should include increased focus on reducing health inequalities and ensuring quality for all.

Although the Trust has made significant and visible progress in a number of priority areas there is still considerable need for further improvement. This is reflected in the on-going commitment to improving stroke services and in the stroke outcomes goal in the Trust CQUIN scheme for 2012-13. We support the Trust priorities for 2012-13 including reducing pressure ulcers and improving clinical outcomes for patients with fractured neck of femur. We note that specific areas for improvement in 2012-13 include the requirements of the Information Governance toolkit with the data quality of clinical coding needing special attention.

As reported, the Trust narrowly missed achieving the MRSA reduction trajectory set for the year. There is a need to maintain a clear focus on infection prevention and control and to continue to engage with the commissioning infection prevention and control team in support of the health economy ambition of zero tolerance of avoidable healthcare associated infections.

Unfortunately during 2011-12 the Trust reported six serious incidents that are classified as 'never events'. Never events are serious, largely preventable patient safety incidents that should not occur if the available preventative measures have been implemented. Full investigations of these serious incidents have identified recommendations for improvements to prevent recurrence. Detailed reports and improvement plans have been provided for commissioners and these are monitored through our Clinical Quality Review Group.

In summary, the Quality Account provides a balanced view of the Trust's achievements through 2011/12 and has set clear priorities for quality improvement in 2012/13. Given the challenges ahead and the changes in commissioning arrangements we look forward to strengthening our partnership with the Trust in collaborative approaches to delivering the quality agenda.

Consultative Healthcare Council

During the past year a lot has happened within Heart of England NHS Foundation Trust and keeping up with developments has been a challenge.

The arrival of a new Chief Executive, Dr Mark Newbold and Chairman, Lord Philip Hunt, have brought with them a new perspective of the workings in regard to each site. No longer is it, 'One Trust on 4 sites' but taking each hospital site on an individual basis, reflecting the need for change and reflecting the needs of its local communities. It is nice to know that both the Chief Executive and Chairman support the work we are doing.

For us, this year brings a new challenge in how we arrive at a method of monitoring the 30+ Solihull community services the Trust has taken over. We have continued to invite Trust professionals to speak at our meetings to update on service provision within the Trust, and answer the questions raised over service changes. Members have continued to carry out ward and directorate inspections and report their findings to the Trust.

The big disappointment is that few of these reports have resulted in a response from the areas visited, and, having raised this with Lord Hunt he is looking at ways to ensure this takes place in the future. The members of the CHC have conducted numerous ward inspections over recent years and witnessed the many improvements, both in patient care, standards of cleanliness and infection control.

The number of wards which have been refurbished to an extremely high standard can only enhance the patient experience. Unfortunately, nothing has been done to improve the inadequate shower facilities, broken windows and general decor, repeatedly highlighted in our reports, on those wards which have still to be refurbished.

This year has seen the formation of the Governors' Patient Experience Committee and the Consultative Healthcare Council will be working in partnership with them in monitoring services within the Trust, and after a recent meeting with Sam Foster, Deputy Chief Nurse, we will endeavour to plan our inspections to take on board each area of the Nursing Forward Planner so that our independent findings go into their reports.

Gerry Robinson
Chair

Anne Horton
Vice Chair

Solihull Local Involvement Network (LINK)

Solihull LINK's role is to find out local people's views on NHS and social care services and to make recommendations for improvements. The LINK Management Committee received a presentation from the Heart of England NHS Foundation Trust (HEFT) regarding the Quality Account, and other members of the LINK also attended. The LINK welcomes the Quality Account, and we note that it provides a comprehensive, informative assessment of the work of

HEFT. LINK members noted that they have seen improvements in services and in patient experience over the past year. Nevertheless, there are still areas of care where improvement is needed. In particular, LINK reports on patient experience produced in 2011 identified the need for improvements in Discharge from Hospital and in Maternity Services at HEFT. The LINK looks forward to continuing to work constructively with HEFT to ensure that the issues raised by local people are addressed.

LINK members have comments and queries about stroke services: for example, service users find that more support is needed for rehabilitation and long term care and also wish to promote the need for 24 hour access to CT scans in hospital. We will provide further information separately.

The LINK is pleased that Patient Experience has been a focus for HEFT and wishes to see this focus continue. As Solihull Community Services have recently joined HEFT, systems for collecting, monitoring and responding to patient experience data from Solihull Community Services need to be developed and integrated into HEFT.

The LINK supports the priorities for the Quality Account for the forthcoming year. However, we would like to know which patient groups were invited and contributed to the identification of these priorities, and we would like to ensure that Solihull LINK representatives are invited next year.

Directors' Statement of Responsibilities

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 to prepare Quality Accounts for each financial year. Monitor has issued guidance to NHS foundation trust boards on the form and content of annual Quality Reports (which incorporate the above legal requirements) and on the arrangements that foundation trust boards should put in place to support the data quality for the preparation of the Quality Report.

In preparing the Quality Report, directors are required to take steps to satisfy themselves that:

- The content of the Quality Report meets the requirements set out in the *NHS Foundation Trust Annual Reporting Manual*;
- The content of the Quality Report is not inconsistent with internal and external sources of information including:
 - Board minutes and papers for the period April 2011 to June 2012;
 - Papers relating to Quality reported to the Board over the period April 2011 to June 2012;
 - Feedback from the commissioners dated 18/05/2012;
 - Feedback from Governors, via the Governors' Quality and Safety group in October 2011, with meetings in November 2011, December 2011 and February 2012;
 - Feedback from LINKs dated 09/05/2012;
 - The Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated May 2012;
 - The National Inpatient Survey June-August 2011 and the National Outpatient Survey May – October 2011;
 - The National Staff Survey 2011;

- The Head of Internal Audit's annual opinion over the Trust's control environment dated 18/04/2012;
 - CQC quality and risk profiles dated August 2011 – April 2012;
- The Quality Report presents a balanced picture of the NHS Foundation Trust's performance over the period covered;
- The performance information reported in the Quality Report is reliable and accurate;
- There are proper internal controls over the collection and reporting of the measures of performance included in the Quality Report, and these controls are subject to review to confirm that they are working effectively in practice;
- the data underpinning the measures of performance reported in the Quality Report is robust and reliable, conforms to specified data quality standards and prescribed definitions, and is subject to appropriate scrutiny and review; and
- the Quality Report has been prepared in accordance with Monitor's annual reporting guidance (which incorporates the Quality Accounts regulations) (published at www.monitor-nhsft.gov.uk/annualreportingmanual) as well as the standards to support data quality for the preparation of the Quality Report (available at www.monitor-nhsft.gov.uk/annualreportingmanual)).

The directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the Quality Report.

By order of the Board

Lord Philip Hunt
Chairman

Dr Mark Newbold
Chief Executive Officer

29 May 2012

Auditor's Limited Assurance Report

To be completed.

Governance

Corporate Governance

The table below shows attendance of directors at key meetings across the year.

Meetings per year	Trust Board		Audit Committee		Remuneration Committee		Nominations Committee	
	Attended	Relevant number	Attended	Relevant number	Attended	Relevant number	Attended	Relevant Number
Aresh Anwar	9	9	0	0	0	0	0	0
David Bucknall	6	8	3	5	0	0	0	0
Mandy Coalter*	2	3	0	0	0	0	0	0
Anna East	9	9	4	5	0	0	2	2
Najma Hafeez	8	9	2	3	0	0	0	0
Simon Hackwell	6	7	0	0	0	0	0	0
Richard Harris	9	9	3	3	0	0	0	0
Paul Hensel	9	9	5	5	0	0	0	0
Philip Hunt	9	9	3	3	0	0	2	2
Mark Newbold	9	9	0	0	0	0	2	2
Richard Samuda	8	9	5	5	0	0	0	0
Adrian Stokes	9	9	0	0	0	0	0	0
Mandie Sunderland	7	9	0	0	0	0	0	0
Sarah Woolley	7	9	0	0	0	0	0	0

(*)Maternity Leave from June 2011

Performance of the Board and its Committees

The Board now meets in formal public session six times each year. This change took place from September 2011. Some special strategic board meetings, including one to approve the transforming community services transactions, also took place.

A perpetual review of the directors' material interests in organisations where those organisations or related parties are likely to do business, or are possibly seeking to do business, with the Trust is carried out and there are no material interests to declare. To communicate with the directors or to obtain a register of directors' interests required information should be addressed to:

Company Secretary
 Devon House
 Heart of England NHS Foundation Trust
 Bordesley Green East
 Birmingham, B9 5SS

Code of Governance Report

Monitor's NHS Foundation Trust Code of Governance (the Code) produced in 2010 is issued as best practice advice and is not mandatory. The Code does impose disclosure requirements on the Trust.

The Board of Directors considers that throughout the year it was fully compliant with the principles of the Code. The only exception to the Code is that the Board has not appointed a senior independent director (non- executive) as suggested in Clause A3.3 of the Code.

Members and governors have direct access to all members of the Board. Members of the Board or Trust senior managers who might have issues, where contact through the normal channels with Chairman, Chief Executive or Finance Director is inappropriate, have right of direct access to the Chairman of the Audit Committee and the Deputy Chairman.

The Code (Clause C1.7) requires the Trust to disclose the other significant commitments of the Chairman. The interests of Lord Hunt are:

- Member and Deputy Leader of the Opposition, House of Lords
- Trainer and Policy Analyst, Cumberlege Connections Ltd.
- Philip Hunt Consultancy, consultant and trainer
- President, British Fluoridation Society
- Trustee, Terrence Higgins Trust
- President, Royal Society of Public Health
- President, Health Care Supply Association
- Chair, Birmingham University Policy Commission on Nuclear Energy
- Member of the National Advisory Council of the Easy Care Foundation
- Patron/Ambassador of Saving Lives

The Trust is required to assess the performance of the Board of directors, its committees and its directors (Clause D2). There has not been a formal assessment of the board and its committees as the Chairman was keen to understand how the established structure worked before any changes were made. In the 2012/13 year internal audit is reviewing how some of the committees interact and there will also be an evaluation of the committees.

The executive directors are assessed annually as part of the Trust's Appraisal Policy. The four non-executive directors who have been in post in the 2012/13 year are currently going through an appraisal process.

Nominations Committee Report

The work of the Nominations Committee is to:

- Review the structure, size and composition of the Board and make recommendations with regard to any changes
- Give full consideration to succession planning
- Evaluate the balance of skills, knowledge and experience in relation to the appointment of both executive and non-executive directors

- Identify and nominate suitable candidates to fill executive director vacancies

The Nominations Committee has met twice and was chaired by Lord Hunt. The full listing of members is set out on page 115 along with the members' attendance levels.

In the case of non-executive director vacancies, including the Chairman, the relevant information is passed to the Council of Governors' Appointments Committee so that it can then incorporate the information into its deliberations. The Council of Governors' Appointments Committee is then responsible for the identification and nomination of non-executive directors, including the Chairman, and for making recommendations to the Council of Governors as to their terms and conditions of employment.

In the case of executive director vacancies, the Nominations Committee draws up the job description and person specification and undertakes the recruitment process and then makes a recommendation to the Appointments Committee of the Trust Board which may accept or reject the recommendation. It is for the non-executive directors to appoint and remove the Chief Executive and such an appointment requires the approval of the Council of Governors.

The service contracts of the executive directors who are voting Board directors are shown in the table below:

Director	Date of contract	Notice period
Aresh Anwar	01/03/2011	3 months
Mandy Coalter	24/07/2006	6 months
Simon Hackwell	01/08/2008	3 months
Mark Newbold	01/08/2010	6 months
Adrian Stokes	16/10/2008	6 months
Mandie Sunderland	01/12/2008	6 months
Sarah Woolley	07/05/2007	6 months

There is provision for pay in lieu of notice in the contracts of employment but no other provisions for compensation for early termination.

Remuneration Committee Report

The Remuneration Committee is mandated to review the appraisal of the executive directors and decide their remuneration and allowances (and other terms and conditions of office). The Committee meets without the Chief Executive present to perform the same role in respect of that post. The non-executive directors also appoint or remove the Chief Executive and are joined by the Chief Executive to appoint or remove the executive directors. In view of the financial constraints, the Committee did not meet in the financial year under review as all directors decided they would not wish to accept any pay increase.

Remuneration Policy

The Remuneration Committee determines the remuneration policies and practices with the aim of attracting, motivating and retaining high calibre directors who will deliver success for the Trust and high levels of patient care and customer service.

Executive Directors' Remuneration and Appointment

Remuneration packages for executive directors who are members of the Board of Directors (also known as senior managers) consist of a salary and pension contributions. Salaries are reviewed annually with reference to the NHS Boardroom Pay Report published by Income Data Services (IDS). There are no performance related elements to remuneration.

The Remuneration Committee has access to the advice and views of the Chief Executive, the Director of Human Resources and Organisational Development and the Company Secretary. No director or employee is involved in the determination of, or votes on any matter relating to, their own remuneration.

Performance is judged and reviewed as part of the annual appraisal and personal development review process in line with Trust policies. The appraisal of all executive directors is carried out by the Chief Executive and a report then made to the Remuneration Committee on their performance. Details of remuneration, including the salaries and pension entitlements of the executive directors, are published in the annual accounts on pages **XX**

Executive directors have a six month notice period for termination included in their contracts except for the Medical Director and the Commercial Director, who have a three month notice period, and there is no provision for compensation for early termination in their contracts. There were no amounts payable to third parties for the services of the executive directors and they received no benefits in kind (2010/11 nil). The only non-cash element of the remuneration of executive directors is a pension related benefit accrued under the NHS Pension Scheme. Contributions are made by both the employer and employee in accordance with the rules of the national scheme which applies to all NHS staff in the scheme.

No executive directors also serve as non-executive directors for other organisations.

Non-Executive Directors' Remuneration and Appointment

Non-executive directors, including the Chairman, do not hold service contracts and are appointed for three or four years. Their appointment is terminable with one month's notice on either side. The non-executive directors are appointed following interview by a committee of the Council of Governors. Non-executive directors' fees are determined by the Council of Governors having received recommendations from the Council of Governors' Remuneration Committee, which is chaired by Professor Ian Blair.

Terms of office

Name and Title	First Appointment date	Notice period	Unexpired term of contract as at 31 March 2012
Lord Philip Hunt (Chairman)	1 October 2010	1 month	2 years
David Bucknall (Non-Executive Director)	08 January 2008		Resigned 7/1/2012
Anna East (Deputy Chairman and Non-Executive Director)	01 July 2005	1 month	1 year, 3 months
Najma Hafeez (Non-Executive Director)	01 April 2007	1 month	3 years
Richard Harris (Non-Executive Director)	01 May 2008	1 month	3 years, 1 months
Paul Hensel (Non-Executive Director)	01 August 2005	1 month	1 year, 4 months
Les Lawrence (Non-Executive Director)	01 April 2012	1 month	3 years
Edward Peck (Non-Executive Director)	01 April 2012	1 month	3 years
Richard Samuda (Non-Executive Director)	14 June 2006		Resigned 9/4/2012
Laura Serrant-Green (Non-Executive Director)	1 April 2012	1 month	3 years

The table above shows the non-executive directors who have served the Trust during the year and the date of their first appointment.

As an exception to the Monitor Code of Governance Clause C.2.2, the Council of Governors has appointed some of the non-executive directors on a four year term of office. During the year the Governors' Appointments Committee has recommended that a further three year term of office be offered to Richard Harris. This recommendation was approved by the Council of Governors.

Details of the remuneration of the non-executive directors are published in the annual accounts on pages **XX**. The non-executive directors do not receive pensionable remuneration. There were no amounts payable to third parties for the services of the non-executive directors and they received no benefits in kind (2010/11 nil).

The accounting policies for pensions and other retirement benefits are set out on page **XX** of the accounts.

Dr Mark Newbold
Chief Executive
29 May 2012

Audit Committee Report

The Audit Committee:

- Reviews the establishment and maintenance of an effective overall system of integrated governance, risk management and internal control, across the whole of the Trust's activities (both clinical and non-clinical), that supports the achievement of the Trust's objectives;
- Ensures that there is an effective internal audit function established by management that provides appropriate independent assurance to the Audit Committee, Governance and Risk Committee, Chief Executive and Board;
- Considers and makes recommendations to the Audit Appointments Committee of the Council of Governors in relation to the appointment, re-appointment and removal of the Trust's external auditor and oversees the relationship with the external auditor;
- Monitors the integrity of the financial statements of the Trust, reviewing significant financial reporting issues and judgements which they contain;
- Reviews significant annual returns to regulators and any financial information contained in certain other documents; and
- Reviews activities of the counter fraud team.

All non audit work by the external auditors is proposed to the Audit Committee by the Director of Finance. It is formally considered and, where appropriate, approved by the Committee. The Trust places reliance on the external auditor's own internal processes and procedures to ensure auditor objectivity and independence is safeguarded. As a matter of best practice, the external auditors have held discussions with the Audit Committee on the subject of auditor independence and have confirmed their independence in writing.

In 2011/12 the Committee met five times and discharged its responsibilities as set out in its terms of reference. It received comprehensive reports from the Director of Finance, the Director of Safety and Governance, and the internal and external auditors. The Committee commissioned further reports in response to developing issues, requested clear objectives, timetables and achievement milestones against which performance could be measured.

This was the first year of the new provider of risk management services under KPMG so the first few months of the year saw significant input in the transition to the new team. Significant areas of review have been identified using a risk scoring assessment and a risk based approach has also been taken to prioritise work in collaboration with the governance team and Trust executives. The issues discussed by the Committee and the conclusions reached are reported to the next Trust Board meeting.

The main strategic areas that audits have focused on in the 2011/12 year, on top of the regulatory requirements for financial systems audit, were clinical governance and clinical audit and effectiveness reviews in key operational areas. The internal auditors also performed a gap analysis on the Bribery Act requirements and the Trust now has an action plan to bridge any gaps which will be implemented in 2012/13. In addition, the Committee has managed the process for the re-tender of external audit services to the Trust for the three years 2012/13 to 2014/15. PwC were re-appointed following a competitive tender process.

Reviewing the activities of the counter fraud team ensured that the Fraud Compound Indicator score was maintained at a level 3 for 2010/11, where 4 was the highest level, which was

confirmed in February 2012. Level 3 has been achieved since 2008/09. The central counter fraud services have been subject to a review and the annual assessment has been subject to a consultation so there is no rating process for 2011/12.

The Committee consists solely of independent non-executive directors and at least one member has extensive relevant financial experience. All Committee members held office throughout the year, except for Richard Harris who left the Committee in April 2011 as he became Chairman of the Finance and Performance Committee. Following the resignation of Richard Samuda, Richard Harris will be Chairman of the Audit Committee from April 2012.

The attendance of Committee members is shown in the table on page 115.

Council of Governors' Report

There are 44 Governors serving the Trust, each appointed for a three year period and eligible for re-election or reappointment for a further three years. The Governors are appointed as follows:

- 26 public Governors, by ballot of members.
- 5 staff Governors, by ballot of staff.
- 11 stakeholder Governors, by appointment.
- 2 patient Governors, by ballot of members.

The Council of Governors is responsible for representing the interests of NHS foundation trust members and stakeholder organisations in the governance of the Trust and exercises certain statutory powers such as the appointment of non-executive directors and the external auditor. The Council has met seven times in the 2011/12 year and the table below shows attendance levels.

Meeting date	Number in attendance	Number of Governors	Attendance percentage
25 May 2011	26	32	81
15 July 2011	19	32	60
19 September 2011	22	33	69
21 November 2011	25	33	76
16 January 2012	26	33	79
14 March 2012	18	33	55
23 March 2012	16	33	49

No new election or appointments have been made during the year.

Governors have been actively involved with the CQC registration process, the Quality Report and the Annual Plan that will be submitted to Monitor in May 2012. In the year five sub-committees of the Council of Governors have been set up with a small group of Governors sitting on each committee. The committees meet regularly with the relevant director and other relevant managers. The five committees cover patient experience, finance and strategic planning, membership and community engagement, clinical quality and safety and the hospital environment.

Regular breakfast meetings held by the Chairman of the Trust involve Governors and non-executive directors. These meetings allow for training on relevant topics, information sharing and debate on key issues. In addition in March 2012 there was a directors and Governors joint away day where key topics were covered.

The Constitution requires a report to the Governors in the event that any individual Governor does not attend two consecutive Council of Governors meetings without good reason. During the year no Governors were removed from office for consistent failure to attend. The current Governors of the Trust are shown in the table below. The lead Governor is Mr Richard Hughes.

Constituency Type	Full Name of Constituency	Name of Governor	Origin	Date appointed or elected
Public	Birmingham at Large	Mr. Kevin Daly	Elected (Contested)	01/04/2011
Public	Birmingham at Large	Mr. Michael Kelly	Elected (Contested)	01/04/2011
Public	Birmingham Central	Mr. David Treadwell	Elected (Contested)	01/04/2011
Public	Birmingham Central	Ms. Arshad Begum	Elected (Contested)	01/04/2011
Public	Birmingham Central	Ms. Patricia Hathway	Elected (Contested)	01/04/2011
Public	Birmingham East	Mr. Marck Kibilski	Elected (Contested)	01/04/2011
Public	Birmingham East	Dr. Syed Hussain	Elected (Contested)	01/04/2011
Public	Birmingham East	Ms. Rocio Hernandez	Elected (Contested)	01/04/2011
Public	Birmingham North	Dr. Olivia Craig	Elected (Contested)	31/07/2010
Public	Birmingham North	Mr. Albert Fletcher	Elected (Contested)	01/08/2010
Public	Birmingham North	Mr. Thomas Webster	Elected (Contested)	31/07/2010
Public	Solihull Central	Mr. James Cox	Elected (Contested)	01/04/2011
Public	Solihull Central	Ms. Florence Nash	Elected (Contested)	01/04/2011
Public	Solihull Central	Ms. Liz Steventon	Elected (Contested)	01/04/2011
Public	Solihull South	Ms. Bridget Sproston	Elected (Contested)	01/04/2011
Public	Solihull North	Mr. Stuart Stanton	Elected (Uncontested)	01/04/2011
Public	Sutton Coldfield	Ms. Elaine Coulthard	Elected (Contested)	01/04/2011
Public	Sutton Coldfield	Mr. John Roberts	Elected (Contested)	01/08/2010
Public	Staffordshire South	Mr. Barry Orriss	Elected (Contested)	01/08/2010
Public	Tamworth	Mr. Richard Hughes	Elected (Contested)	01/08/2010

Stakeholder	Lichfield/ Tamworth Borough Councils	Councillor Ian Lewin	Appointed	31/08/2010
Stakeholder	Solihull Metropolitan Borough Council	Councillor Jim Ryan	Appointed	24/05/2011
Stakeholder	Birmingham City University	Professor Ian Blair	Appointed	31/03/2011
Stakeholder	University of Birmingham	Dr. Tim Freeman	Appointed	31/12/2010
Stakeholder	Solihull PCT	Dr. Sunil Kotecha	Appointed	
Staff	Ancillary, Admin, Management	Mr. Neil Harris	Elected (Contested)	01/04/2011
Staff	Medical and Dental	Dr. Neil Smith	Elected (Contested)	01/04/2011
Staff	Nursing and Midwifery	Ms. Heidi Lane	Elected (Contested)	01/04/2011
Staff	Nursing and Midwifery	Ms. Veronica Morgan	Elected (Contested)	01/04/2011
Staff	Clinical Support	Mr. David Roy	Elected (Uncontested)	01/04/2011
Patient	Patient	Mrs. Kath Bell	Elected (Uncontested)	01/04/2011
Patient	Patient	Mr. Phillip Johnson	Elected (Uncontested)	01/04/2011

Public constituencies are representative areas around each of the main Trust sites. Stakeholder constituencies are organisations that the Trust has to work alongside in running its estate, training its workforce and commissioning its services respectively. Staff constituencies are groups of the workforce of the Trust dependent on type of work performed. The patient constituency is made up of patients of the Trust.

There are currently outstanding vacancies on the Council. The Trust is in the process of reviewing its governance and constitution and once this has concluded will hold further elections.

The Trust's Constitution describes the processes intended to ensure a successful and constructive relationship between the Council of Governors and the Board of Directors. It confirms the formal arrangements for communication within the Trust, an approach to informal communications, and sets out the formal arrangements for resolving conflicts between the Council of Governors and the Board of Directors. The Constitution is available on the Trust's website and is available for inspection at the Trust's offices. In accordance with Clause B1.4 of the Monitor Code of Governance, the statement of rules and responsibilities of Governors is set out at the front of the Governors' Handbook.

A perpetual review of the Governors' material interests in organisations where those organisations or related parties are likely to do business, or are possibly seeking to do business, with the Trust is carried out and there are no material interests to declare. A register of Governors' interests can be accessed by writing to:

Company Secretary
 Devon House
 Heart of England NHS Foundation Trust
 Bordesley Green East
 Birmingham, B9 5SS

Membership Report

Membership Strategy

The Trust serves a population of over 1.3million and has 101,622 members from various constituencies. The Trust is planning to further expand its membership and in addition increase involvement at all levels.

The three main constituencies are:

- Public constituency: members who live in one of the Trust’s 10 governor zones. Residents of these zones become eligible for public membership when they are over the age of 16.
- Staff constituency: members of the Trust staff. All contracted staff are eligible to become members.
- Patient constituency: members who are patients of the Trust. Patients who live outside the 10 governor zones are eligible for membership if they have had treatment in the previous three years.

The Trust’s volunteers are included in the appropriate constituencies above.

A full listing of all the constituencies is available upon request from the Company Secretary. This listing also shows the minimum number of members, as well the number of Governors required for each constituency.

Breakdown of total members

Membership type	Totals
Public members	84,013
Patient members	7,048
Staff members	10,561
Total membership	101, 622

Public Membership is broken down as follows:

Age (years)	Totals	Ethnicity	Totals	Gender	Totals
0-16	232	White	55,261	Male	30,491
17-21	1,447	Mixed	454	Female	41,363
22+	81,594	Asian/British Asian	9,487	Not known	12,159
Not known	740	Black/British Black	2,239		
		Other	441		
		Not known	16,131		

Staff Membership is broken down as follows:

Heartlands	Good Hope	Solihull	Solihull Community Services
Clinical Staff: 3793	Clinical Staff: 1743	Clinical Staff: 780	Clinical Staff: 548
Non-Clinical: 2254	Non Clinical: 853	Non Clinical: 429	Non Clinical: 161

Patient Membership is broken down as follows:

Age (years)	Total
0-16	24
17-21	144
22+	6794
NK	86

The Trust offers three levels of membership:

- Members request Level 1 - a high level of engagement
- Members at Level 2 provided with regular communications and invitations to some health seminars
- Members Level 3 receive quarterly communications

This categorisation has enabled members to select the level of involvement they require to meet their individual and specific needs.

The Trust has updated the ACORN¹¹ profiling and socio-economic grouping of its membership database monitor to ensure the demographics remain representative of the local community.

Compared to the rest of the United Kingdom, the Heart of England community:

- Has larger proportions of 'Moderate Means and Comfortably Off', and of the lowest affluence group 'Hard Pressed'.
- Has smaller proportions of 'Wealthy Achievers and Urban Prosperity'.
- Over-indexes on social grades 'D' and 'E'; proportions of the other grades are just below national levels.
- Has 7-8 times the proportion of Asian Community individuals.

This is very similar to last year's profile as the region has not significantly changed in terms of demographics.

Looking at the Trust's membership

- It is demographically representative in three of the five ACORN categories.
- There is a small over-representation of 'Wealthy Achievers', and a large under-representation of 'Urban Prosperity' (when comparing to the Trust's region).

¹¹ **ACORN** is a consumer classification tool that provides categorised, detailed demographic data and lifestyle information for the UK.

- In terms of socio-economic grade, the Trust is fairly representative in all grades except one. 8.1% of the region is classed as grade E, however they make up just 0.9% of the member profile.
- The most common ACORN groups amongst members are 'Secure Families', 'Struggling Families', 'Wealthy Executives' and 'Asian Communities'. This matches the Trust's community.

The last 12 months saw a fall in membership numbers across all three constituencies, which, when analysed, was as a result of members either passing away or moving out of the catchment area. The Trust undertook a data cleanse of its member's database in January 2012 to ensure the data was up to date and accurate. As a result the Trust initiated an opt-out recruitment drive in February 2012 enabling it to maintain its target of 100,000 members.

Considering new members recruited since February 2011

- There has been a highly significant recruitment of members from the 'Urban Prosperity' demographic – this is the most under-represented group.
- The proportion of 'Urban Prosperity' in 2011 was 3.1% of members, now it is 4.9% - a one-and-a-half-fold increase.
- There is significant improvement at ACORN type level: under-represented types such as 'Prosperous Young Professionals, Flats' and 'Multi-Ethnic Purpose Built Estates' have seen proportionally increased membership numbers.
- There is a small increase in the number of members of social grade E, relative to the rest of the member base.

This demonstrates that the membership is largely representative of the community, and this has been strengthened in 2011. There has been a targeted recruitment of younger, urban individuals – a demographic that was (and still is to some extent) largely under-represented. Both ends of the affluence spectrum have seen increased member numbers in these younger age groups.

The Trust's region is largely of lower affluence (compared to the UK) and is performing well regarding ethnic groups against the UK base and has one of the largest Asian populations.

Further analysis of the ACORN types is ongoing and plans will be put in place to address any membership demographic shortfalls in the coming year. By understanding our catchment areas in more detail we are able to use the ACORN profiling to effectively carry on the targeted recruitment campaigns.

Membership Engagement

Membership growth and engagement is reported to the Council of Governors' meeting which is also attended by executive and non-executive directors. A sub group of Governors is working with the Trust to continue to engage and develop the membership.

The Trust's website includes a new communications facility for constituents to contact their own Governor. All Governors each have their own web pages and can be emailed by constituents or members of the public. The Trust is also piloting a touch screen unit in the main entrance at Heartlands Hospital that holds all Governors' photographs and profiles. Members can type in a message to their Governor. This facility will be further developed to

include more Governor information and activities to keep their constituents updated and engaged during the 2012/13 year.

Recently the Trust held its first Annual Community Health Fair at Millennium Point in Birmingham. The membership office joined forces with the Midlands Co-operative Society to host this unique event which was a joint collaboration as part of our community engagement programme. The fair was successful in getting the prevention messages out into the community with health talks, interactive stands promoting health and wellbeing, community music and children's activities. It was a day for all of the family. With the involvement of schools both locally and within the Pan Birmingham area the aim was also to encourage young people to take an interest in the sciences and the health service. It was also a chance for Trust Governors to meet and engage with the members and for local people to learn more about health topics. The event provided an opportunity to promote the good work the Trust is doing in the region. Member engagement played a key role. This joint approach has also provided greater opportunities to engage with the whole community and encourage membership and higher levels of involvement.

The community engagement programme this year has included:

- Monthly health seminars both on site and out in the community
- Collaboration with the Midlands Co-operative Society and joint membership events
- Hindu Council of Birmingham joint health awareness programme
- Health awareness days with the Sikh community
- Membership in the community at Diwali celebrations
- Mini community health fairs in association with health partners
- Partnership with the health Exchange to promote health and wellbeing across our catchment area
- Membership attendance at local neighbourhood community events and carnivals.

Young Governors and Members

The Trust has made links with the Midlands Co-operative Society and the Youth Parliament 'Voice is Power' to forge new links with young people aged between 17 and 21. This, combined with a community-based seminar programme and annual community health fair, is switching the traditional focus of providing condition-specific information to a more public health-type agenda, working with community partners and encouraging people to stay well and stay out of hospital.

This year has seen an increase in younger members particularly in the age range 16 to 21. Increased member representation of young people was achieved following a series of targeted recruitment campaigns alongside the Trust's own schools programme which was established with the specific aim of enhancing the Trust's profile in the community. The programme is ongoing and several projects are already underway to involve and engage young people. The projects include a leadership programme run in collaboration with local schools. The Trust runs membership and schools engagement open weekends. This collaboration includes ongoing arts projects which have been very successful with students whose work is displayed in cabinets at our hospital sites.

The 2011/2012 Youth Engagement Programme included:

- 6th Form research project on sleep in adolescence (5 year project)
- Simulation Project support for students undertaking Healthcare qualifications
- Career Weekend

- Pathology Day
- Reading Project patients and parents
- Students and volunteers attended the Community Health Fair
- Heartlands Schools Outdoor Gallery
- Visits to schools/college to support and promote health
- Work in partnership with school to recreate a business/marketing venture
- One day visits for students various schools and topics covered
- Ward Ambassadors project
- Life skills training for young people
- Diabetes project for schools.

In 2012/13 the new focus will be around community engagement taking the health agenda out into the community. The Trust will continue to have greater membership involvement, assisted by the Trust's Governors and active members. This new focus will also include continuing to engage with existing community groups and forums where strong relationships have been formed. Member volunteers sit on the Consultative Healthcare Council (CHC) – the Trust's primary forum for engaging users. The CHC is a group of patients, carers, members and Governors with a passion for involvement in Trust issues. It has up to 30 members, takes an independent stance from the Trust and is chaired by a lay person. It was formed with the Trust's assistance in 2007 following the central abolition of patient and public involvement forums and the Trust agreed to give the CHC right of visitation and inspection. There is ongoing encouragement of member volunteers to widen their involvement in membership and Trust activities.

The active e-members (reachable by e-mail) help with membership and patient surveys has proved very successful and will continue to grow. These members are also invited to take part in recruitment campaigns and external membership events.

The young people and schools projects continue to play a key role in engagement with younger members. Some new projects for 2012 include life skills training for young people and health promotion with colleges on various campuses.

Patient members generally live outside the geographical catchment area and are either patients or patient carers. This constituency continues to grow as patient choice becomes more readily available and we have seen an increase of 3.9% on the previous year.

The number of staff members has increased by 12.9% this year and the goal for 2012/13 is to ensure they remain engaged. We will achieve this by increasing staff/Governor awareness sessions and by continuing to encourage staff members to become champions along with the Governors, to recruit new members and to actively raise the profile of the Trust and its services.

Attendance at Trust events, the youth engagement programme and the members and community engagement programme for 2012/2013 will continue to be a focus. Engagement of existing and new members remains a priority. A new membership website has been developed and includes interactive facilities to get instant feedback from members and the public on the services the Trust provides. The website also has links to social networking sites and members can use the blog and leave their comments. The aim is to continue to encourage members to become more e-active.

Any members wishing to communicate with the governors or directors should contact:

Company Secretary
Devon House
Heart of England NHS Foundation Trust
Bordesley Green East
Birmingham, B9 5SS

Other Disclosures

Statement of the Chief Executive's Responsibilities as the Accounting Officer of Heart of England NHS Foundation Trust

The National Health Service Act 2006 states that the Chief Executive is the Accounting Officer of the NHS Foundation Trust. The relevant responsibilities of Accounting Officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the Accounting Officers' Memorandum issued by the Independent Regulator of NHS Foundation Trusts ("Monitor").

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

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

- Observe the Accounts Direction issued by Monitor, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- Make judgments and estimates on a reasonable basis
- State whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual have been followed, and disclose and explain any material departures in the financial statements
- Prepare the financial statements on a going concern basis.

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

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

Dr Mark Newbold
Chief Executive
29 May 2012

Directors' Responsibilities for Preparing the Financial Statements

The following statements, which should be read in conjunction with the Statement of Auditor's Responsibilities included in the Independent Auditor's Reports, are made to distinguish the respective responsibilities of the directors and the Auditors in relation to the financial statements for 2011/12.

The directors are responsible for preparing the Annual Report and Accounts 2011/12. The directors are required by the Trust's Terms of Authorisation to prepare financial statements for each financial year, giving a true and fair view of the state of affairs of the Trust at the end of the financial year, and of the surplus or deficit for the financial year. The Trust's financial statements must be prepared in accordance with International Financial Reporting Standards, the NHS Foundation Trust Annual Reporting Manual 2011/12 and the Companies Acts 1985 and 2006.

The directors consider that, in preparing the financial statements on a Going Concern basis, the Trust has used appropriate accounting policies, that these have been consistently applied and supported by reasonable and prudent judgments and estimates, and that all applicable accounting standards have been followed.

The directors have responsibility for ensuring the maintenance of proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Trust and to enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the NHS Foundation Trust Annual Reporting Manual 2011/12 and the Companies Acts 1985 and 2006. They are also responsible for safeguarding the assets of the Trust and for taking reasonable steps to prevent and detect fraud and other irregularities. The directors are responsible for the maintenance and integrity of the Trust's website.

Directors' Responsibility Statement

We confirm to the best of our knowledge that:

- The financial statements, prepared in accordance with International Financial Reporting Standards (IFRS), give a true and fair view of the assets, liabilities, financial position and surplus of the Trust.
- The business review, which is incorporated into the Directors' Report, includes the information required by the NHS Foundation Trust Annual Reporting Manual 2011/12, namely a fair review of the development and performance of the business and the position of the Trust, together with a description of the principal risks and uncertainties they face.

The directors can confirm that, as far as we are aware, there is no relevant audit information of which the auditors are unaware and that we, the directors, have taken all of the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the auditors are aware of that information.

By order of the Board

Lord Philip Hunt
Chairman

Dr Mark Newbold
Chief Executive

29 May 2012

Going Concern

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

Annual Governance Statement 2011/12

Scope of Responsibility

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

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Heart of England NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Heart of England NHS Foundation Trust for the year ended 31 March 2012 and up to the date of approval of the annual report and accounts.

Capacity to Handle Risk

Heart of England NHS Foundation Trust has a Trust Board approved risk management strategy that provides explicit guidance for all staff concerning:

- Leadership and accountability
- Roles and responsibilities for managing risk
- Processes for risk management
- Risk management education and training.

The risk management strategy sets out the Trust's approach to risk by defining the structures for the reporting, ownership, management and escalation of risk at all levels within the organisation. It includes everyone's responsibility for handling risk.

The risk management strategy clearly details that it is the Chief Executive who has overall responsibility for the Trust's risk management programme. Operational responsibility is delegated to the director of safety and governance who is supported by other executive director colleagues for overseeing risk management activities in their individual areas of responsibility.

The Trust Board is responsible for overseeing the delivery of the risk management strategy and is supported by the work of its sub-committees. The Board has delegated its operational risk management responsibilities to the Governance and Risk Committee and gains independent assurance on the effectiveness of its risk management processes through the work of internal audit and the internal audit programme.

The risk management policy and risk register guide provide further detailed guidance for staff regarding their role in the whole risk management life cycle. Staff training for the identification and management of risk is available from the safety and governance directorate. This training is also supported by a comprehensive corporate induction and mandatory training programme (managed by the Trust Faculty) for all staff which provides training in the management of specific clinical and non-clinical risks.

The Risk and Control Framework

The Trust has a risk management strategy and policy. The strategy includes details of the key frameworks that the Trust uses to assess overall risk within the organisation. This includes: CQC compliance; NHS Litigation Authority (NHSLA) assessment; the Board Assurance Framework; external reviews and assessments; risk assessments; incidents, complaints and claims and lessons learned. The strategy aims to triangulate information from each of these sources to provide a detailed picture of its key risks and how they should be managed.

The risk management policy focuses on the risk management lifecycle and how risks are identified through risk assessments, are recorded via risk registers and how they are controlled and managed – via relevant Trust Board and sub-committees. There is a standard risk matrix used across the Trust to ensure a standard scoring system is applied to all risks. This policy forms the key tool for defining the Trust's appetite for risk and it is used to manage and escalate all risks. The policy contains clear processes for risk escalation.

The escalation of risks is from directorates through the group Quality and Safety Committee and ultimately to the Governance and Risk Committee. Non-clinical risks are escalated through similar structures, though this is through corporate departmental meetings – rather than group quality and safety meetings.

The Trust has robust arrangements in place for recording and managing risks associated with data security. There is a specific risk register in place for the Chief Information Officer. Information governance issues are managed by the Information Governance Committee, which is a sub-committee of the Governance and Risk Committee. The annual review of the information flow mapping has not identified any significant risks associated with the flow of patient identifiable information.

The Trust has an established internal compliance framework in respect of the CQC regulations. Each regulation has an executive lead, operational lead and compliance lead. The prompts for each regulation are reviewed quarterly by the executive lead and a report is presented to the Governance

and Risk Committee (Compliance Group from February 2012) by the head of corporate risk and compliance. These quarterly self assessments include consideration of the contents of the CQC quality and risk profile.

The Trust Board has identified the strategic risks facing the Trust. These risks are formally reviewed on a quarterly basis by the Trust Board and Trust Executive Management Team. There are currently four strategic risks identified on the strategic risk register and appropriate risk management and mitigation plans are in place for each.

Description of risk	Risk score (Consequence x Likelihood)
<u>SR1 Future tariff efficiency across the NHS</u> – there is a risk that this will be too big to respond to appropriately without an impact on existing services. This is compounded by a potential reduction in activity from other sectors as they seek to deliver their own cost improvement programmes	12 - 3x4
<u>SR2 Patient Flow and Capacity</u> - Failure to successfully address discharge planning arrangements resulting in poor patient flow and unnecessary delays to admissions, transfers and discharges.	12 – 4x3
<u>SR8 - Ability of organisation to undertake strategic reconfiguration and development of new business models in response to longer term economic environment and reduction in health economy spending.</u> - The economic environment means that there will be reduced income for the Trust in the future. The impact of the QUIPP agenda will require the Trust to embark on a transformation programme to ensure that it provides safe, quality services to patients in the most appropriate setting. Such an ambitious programme is not without risk - including reputational and financial.	15 – 3x5
<u>SR9 18 Week wait (NEW February 2012)</u> - Failure to successfully address waiting list arrangements resulting in excess waiting times for patients requiring routine surgical intervention. Whilst the Trust has achieved the 90% admitted target for 18 weeks aggregated across all specialties, from April 2012 the new operating framework requires each specialty to achieve the 90% admitted target.	12 - 3x4

The Strategic Risk Register for 2012/13 will be presented:

- Quarterly to the Trust Board and Executive Management Team
- Six monthly to the Audit Committee.

The Trust uses an online incident reporting system (Datix) for all clinical and non-clinical incidents. There is a supporting policy and procedure in place for incident reporting and the Trust's commitment to having an open culture ensures that the reporting of incidents is actively encouraged by all staff. This policy also supports a range of ongoing initiatives to encourage learning and feedback from incidents. The Trust provides regular uploads of incident data to the National Patient Safety Agency. There is a separate policy for the management and investigation of SUIs.

The Trust will ensure that all relevant stakeholders, including staff are kept informed of, and where appropriate, consulted on the management of risks faced by the organisation. The Trust engages its

stakeholders through the following forums:

- Governors' Consultative Council
- Patient and Public Involvement Forums
- Overview and Scrutiny Committees
- Patient surveys
- Patient focus groups
- Staff survey
- Foundation Trust membership
- Meetings with commissioners.

In January 2012 the Trust achieved Level 2 compliance with the NHSLA Risk Management standards for acute Trusts.

The Foundation Trust is not fully compliant with the registration requirements of the CQC. In August 2011 an unannounced inspection found the Trust to be non-compliant with Regulation 13 Outcome 9 – Management of Medicines. An action plan was immediately put in place and regular updates have been provided to the CQC and Monitor. The target date for completion of the actions identified was 31 March 2012.

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.

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

The Trust has undertaken risk assessments and carbon reduction delivery plans are in place in accordance with emergency preparedness and civil contingency requirements, as based on UKCIP 2009 weather projects, to ensure that this organisation's obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

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

The Trust has a Finance and Performance Committee which meets monthly to review the financial and performance status of the Trust, and any associated risks, with the financial and performance management of the organisation. Its primary function is to ensure that any risks to the financial performance or performance measurement of the Trust are managed appropriately. The identified risks are discussed in detail and actions required are assigned to relevant senior managers within the Trust. The finance director provides an update on finance and performance at each Trust Board. The contract with the Trust's commissioners provides a framework for the regular review and reporting of progress against national and local targets.

The Trust Board has completed several away days and strategy days during the year to review its strategic priorities and assess the impact on its efficiency and use of resources.

The Audit Committee, which includes representatives from the Trust's internal and external auditors,

meets to ensure that recommendations from auditors' reports are being implemented. This Committee provides additional scrutiny on behalf of the Trust Board regarding the governance processes within the Trust. It is also responsible for reviewing the Board Assurance Framework.

As a Foundation Trust, the Trust reports quarterly to Monitor regarding its financial and governance targets and all submissions.

The Trust has a Human Resources Committee which works on the operational aspects of workforce. This Committee is responsible for ensuring that effective processes are in place for the management of the human resources within the Trust, for workforce planning at a strategic and operational level as well as for providing a robust framework of staff training and education.

Annual Quality Report

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

Operational responsibility for the development of the Quality Account and Report lies with the head of corporate risk and compliance. The Trust has a quality account project group that meets monthly to review progress with current priorities and also plan for the collation of the next report. Representatives on this group include finance, patient experience, corporate affairs, performance and safety and governance. Progress with current priorities is reported six-monthly to the Executive Management Board and the Governance and Risk Committee.

Future year priorities are determined with our stakeholder groups. Three main stakeholder events were held representing our three main geographical sites. Other smaller meetings were also held with specific interest groups. A range of stakeholders attended these meetings – which were facilitated by external facilitators - and voted on the priorities that they felt the Trust should be addressing. This list was presented to the Executive Management Board to ratify the final list of priorities for the coming year.

The Quality Account and Report is subject to audit by the external auditors. This includes data testing on specific indicators as well as an audit of the content of the report itself – in line with the requirements of Monitor's Annual Reporting Manual.

For the financial year 2011/12 the Quality Account and Report will be a joint report with Solihull Community Services.

Review of Effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS foundation trust who have responsibility for the development and maintenance of the internal

control framework. I have drawn on the content of the quality report attached to this Annual Report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit Committee and Governance and Risk Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

My review is informed in a number of ways. The head of internal audit provides an overall opinion of the arrangements for gaining assurance through the Board Assurance Framework and on the controls reviewed as part of the internal audit work. My review is also informed by:

- Monitor quarterly reporting
- CQC essential standards compliance
- Health and Safety Executive
- NHSLA Risk Management Standards assessment
- Patient experience metrics
- Nursing metrics
- Dr Foster information
- Local and national staff surveys
- External audit
- Peer reviews.

Each level of management, including the Trust Board, reviews the risks and controls for which it is responsible. This is monitored through a robust reporting structure, defined by the Risk Management Strategy and Board Assurance Framework.

Our performance against the MRSA and C.difficile targets was a challenge during the early part of the financial year. The final year end position was that the C.difficile target was achieved with 123 cases against a target of 131. The MRSA target of 7 was not achieved as the year-end total was 8, which included a contaminant.

The failure to achieve the MRSA target, combined with the outstanding compliance action relating to CQC Outcome 9 resulted in the Trust Governance rating being red/amber.

The Trust did not achieve the 62-day cancer target for Quarter 4. This was due to poor performance in one month in the quarter - January 76.5% - (against a target of 85%). This impacted on the final figure for the full quarter despite the target being met in both February and March.

Conclusion

With the exception of the internal control issue that has been outlined in this statement, no significant internal control issues have been identified.

Dr Mark Newbold
Chief Executive
29 May 2012

The Annual Report is available on the Trust website:

www.heartofengland.nhs.uk

Copies of the Quality Account are available from Heartlands, Good Hope and Solihull Hospitals.

If you would like to comment or provide feedback on the Annual Report, please contact the Trust via:

Email: patient.feedback@heartofengland.nhs.uk

Telephone: 0121 424 2000

Website: www.heartofengland.nhs.uk

Twitter: @heartofengland

HEART OF ENGLAND NHS FOUNDATION TRUST
ANNUAL ACCOUNTS

YEAR TO 31 MARCH 2012

FOREWORD TO THE ACCOUNTS

HEART OF ENGLAND NHS FOUNDATION TRUST

These Accounts for the year ending 31 March 2012 have been prepared by the Heart of England NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 to the National Health Service Act 2006.

Mark Newbold
Chief Executive
Date:

HEART OF ENGLAND NHS FOUNDATION TRUST- ANNUAL ACCOUNTS 31 MARCH 2012

PRIMARY STATEMENTS

Statement of Comprehensive Income

		2011/12	2010/11
	Note	£000	£000
Operating Income	2.2	607,030	561,293
Operating Expenses	3.1	<u>(592,863)</u>	<u>(561,685)</u>
OPERATING SURPLUS / (DEFICIT)		14,167	(392)
FINANCE COSTS			
Finance income	6	1,365	1,121
Finance cost - financial liabilities	7.1	<u>(327)</u>	<u>(336)</u>
Finance cost - unwinding of discount on provisions		(5)	(5)
PDC Dividends payable		<u>(8,525)</u>	<u>(8,530)</u>
NET FINANCE COSTS		<u>(7,492)</u>	<u>(7,750)</u>
SURPLUS/(DEFICIT) FOR THE YEAR		<u>6,675</u>	<u>(8,142)</u>
Other comprehensive income			
Impairments		0	(3,277)
Revaluations		0	9,001
Receipt of donated assets		0	0
Other reserve movements		0	0
TOTAL COMPREHENSIVE INCOME / (EXPENSE) FOR THE YEAR		<u><u>6,675</u></u>	<u><u>(2,418)</u></u>

HEART OF ENGLAND NHS FOUNDATION TRUST- ANNUAL ACCOUNTS 31 MARCH 2012

PRIMARY STATEMENTS

Statement of Financial Position as at :-

		31 Mar 2012	Restated 31 Mar 2011	Restated 1 April 2010
	Note	£000	£000	£000
Non-current assets				
Intangible assets	8	4,809	2,945	2,575
Property, plant and equipment	9	292,774	297,603	293,220
Trade and other receivables	12	1,493	1,495	1,551
Other financial assets	28	0	0	0
Total non-current assets		299,076	302,043	297,346
Current assets				
Inventories	11	7,874	7,710	7,029
Trade and other receivables	12	22,264	16,989	30,462
Other financial assets	28	0	0	0
Cash and cash equivalents	21	97,165	98,340	90,715
Total current assets		127,303	123,039	128,206
Current liabilities				
Trade and other payables	13	(48,063)	(57,810)	(61,680)
Borrowings	15	(480)	(480)	(480)
Other financial liabilities	29	0	0	0
Provisions for liabilities and charges	19	(6,433)	(8,580)	(3,370)
Other liabilities	14	(15,372)	(8,000)	(6,921)
Total current liabilities		(70,348)	(74,870)	(72,451)
Total assets less current liabilities		356,031	350,212	353,101
Non-current liabilities				
Trade and other payables	13	0	0	0
Borrowings	15	(4,941)	(5,231)	(5,521)
Other financial liabilities	29	0	0	0
Provisions for liabilities and charges	19	(2,473)	(3,041)	(3,222)
Other liabilities	14	0	0	0
Total non-current liabilities		(7,414)	(8,272)	(8,743)
Total assets employed		348,617	341,940	344,358
Financed By (taxpayers' equity)				
Public Dividend Capital		211,114	211,114	211,114
Revaluation reserve	20	85,340	88,077	84,198
Donated Asset Reserve		0	0	0
Other reserves		(169)	(169)	(169)
Income and expenditure reserve		52,332	42,918	49,215
Total taxpayers' equity		348,617	341,940	344,358

The financial statements on pages XX to XX were approved by the Board of Directors on 28th May and signed on its behalf by

Mark Newbold
Chief Executive
Date:
29 May 2012

HEART OF ENGLAND NHS FOUNDATION TRUST- ANNUAL ACCOUNTS 31 MARCH 2011

PRIMARY STATEMENTS

Statement of Changes In Taxpayers' Equity

	Note	Total £000	Public Dividend Capital £000	Revaluation Reserve £000	Donated Assets Reserve £000	Other Reserves £000	Income and Expenditure Reserve £000
2011/12							
Taxpayers' Equity at 1 April 2011		341,940	211,114	88,077	0	(169)	42,918
Surplus for the year	2.1	6,675				0	6,675
Impairments		0		0	0	0	0
Revaluation gains/(losses)		0		0	0	0	0
Increase in the donated asset reserve due to receipt of donated assets		0			0	0	
Other recognised gains and losses		0		0	0	0	0
Asset disposals		0		0	0		0
Public Dividend Capital received		0	0				
Public Dividend Capital repaid		0	0				
Public Dividend Capital written off		0	0				
Other reserve movements	20	2	0	(2,737)	0	0	2,739
Taxpayers' Equity at 31 March 2012		348,617	211,114	85,340	0	(169)	52,332
2010/11							
Taxpayers' Equity at 1 April 2010 as previously stated		342,627	211,114	84,198	3,202	(169)	44,282
Prior period adjustment		1,731	0	0	(3,202)	0	4,933
Revised Taxpayers' Equity at 1 April 2010 restated		344,358	211,114	84,198	0	(169)	49,215
(Deficit) for the year	2.1	(8,142)				0	(8,142)
Impairments	20	(3,277)		(3,277)	0	0	0
Revaluation gains/(losses)	20	9,001		9,001	0	0	0
Increase in the donated asset reserve due to receipt of donated assets		0			0	0	
Other recognised gains and losses		0		0	0	0	0
Asset disposals		0		0	0		0
Public Dividend Capital received		0	0				
Public Dividend Capital repaid		0	0				
Public Dividend Capital written off		0	0				
Other reserve movements	20	0	0	(1,845)	0	0	1,845
Taxpayers' Equity at 31 March 2011		341,940	211,114	88,077	0	(169)	42,918

The donated asset reserve was removed as a prior period adjustment in accordance with the Monitor Annual Reporting Manual. Note 32 has more detail on the prior period adjustment.

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PRIMARY STATEMENTS

Statement Of Cash Flows

	2011/12	2010/11
Note	£000	£000
Cash flows from operating activities		
Operating surplus/(deficit)	14,167	(392)
Depreciation and amortisation	21,891	24,650
Impairments	0	12,147
Reversals of impairments	0	(2,789)
Transfer from the donated asset reserve	0	0
Interest accrued and not paid	0	0
Dividends accrued and not paid or received	0	478
(Increase)/Decrease in Trade and Other Receivables	(5,855)	12,958
(Increase)/Decrease in Other Assets	0	0
(Increase) in Inventories	(164)	(681)
(Decrease) in Trade and Other Payables	(7,624)	(2,075)
Increase in Other Liabilities	7,372	1,079
Increase/(Decrease) in Provisions	(3,628)	5,029
Tax (paid)/received	0	0
Other movements in operating cashflows	(204)	0
Net cash generated from operating activities	25,955	50,404
Cash flows from investing activities		
Interest received	1,368	1,112
Purchase of financial assets	(105,000)	(90,000)
Sales of financial assets	105,000	90,000
Purchase of intangible assets	(2,580)	(1,111)
Purchase of Property, Plant and Equipment	(17,069)	(33,969)
Sales of Property, Plant and Equipment	0	0
Net cash generated (used in) investing activities	(18,281)	(33,968)
Cash flows from financing activities		
Public dividend capital received	0	0
Public dividend capital repaid	0	0
Loans received	0	0
Loans repaid	0	0
Capital element of finance lease rental payments	(258)	(257)
Capital element of Private Finance Initiative Obligations	(359)	(369)
Interest paid	0	0
Interest element of finance lease	(165)	(164)
Interest element of Private Finance Initiative obligations	(162)	(172)
PDC Dividend paid	(8,048)	(7,849)
Cash flows from other financing activities	143	0
Net cash generated (used in) financing activities	(8,849)	(8,811)
Increase/(decrease) in cash and cash equivalents	(1,175)	7,625
Cash and Cash equivalents at 1 April	98,340	90,715
Cash and Cash equivalents at 31 March	97,165	98,340

21.1

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES

1.1 Basis of Preparation of Accounts

Monitor has directed that the financial statements of NHS Foundation Trusts should meet the accounting requirements of the NHS Foundation Trust Annual Reporting Manual (ARM) which shall be agreed with HM Treasury. Consequently, the following financial statements for Heart of England NHS Foundation Trust (the Trust) have been prepared in accordance with the 2011/12 NHS Foundation Trust ARM issued by Monitor. The accounting policies contained in that manual follow International Financial Reporting Standards (IFRS) and HM Treasury's Financial Reporting Manual (FReM) to the extent that they are meaningful and appropriate to NHS Foundation Trusts. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

These accounting policies are the same as in prior years except for the change in accounting for donated assets and government grants which have been processed as a prior period adjustment, as explained in note 32.

1.2 Income

Income in respect of services provided is recognised when, and to the extent that, performance occurs and is measured at the fair value of the consideration receivable. The main source of income for the Trust is contracts with commissioners in respect of healthcare services. Where income is received for a specific activity which is to be delivered in the following financial year, that income is deferred.

The Trust makes an accrual in the statement of financial position at the year end to account for the value of partially completed patient spells. The year on year movement in the value of this accrual is recorded within income from activities.

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

1.3 Expenditure on goods and services

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

1.4 Intangible assets

Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Trust's business or which arise from contractual or other legal rights where expenditure of at least £5,000 is incurred. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the Trust and where the cost of the asset can be measured reliably.

Internally generated intangible assets

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets. Expenditure on research is not capitalised.

Expenditure on development is capitalised only where all of the following can be demonstrated:

- the project is technically feasible to the point of completion and will result in an intangible asset for sale or use;
- the Trust intends to complete the asset and sell or use it;
- the Trust has the ability to sell or use the asset;

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- how the intangible asset will generate probable future economic or service delivery benefits eg the presence of a market for it or its output or where it is to be used for internal use, the usefulness of the asset;
- adequate financial, technical and other resources are available to the Trust to complete the development and sell or use the asset; and
- the Trust can measure reliably the expenses attributable to the asset during development.

Software

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

Measurement

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

Amortisation

Intangible assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits. The amortisation periods for intangible assets are, in general, 5-10 years for software licences.

1.5 **Property, Plant and Equipment**

Recognition

Property, Plant and Equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential be provided to, the Trust;
- it is expected to be used for more than one financial year; and
- the cost of the item can be measured reliably. The cost must be where:
 - individually items have a cost of at least £5,000; or
 - collectively they have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
 - form part of the initial equipping and setting-up cost of a new building, ward or unit irrespective of their individual or collective cost.

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

Measurement

Valuation

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

For freehold and leasehold properties fair value is based on periodic, but at least quinquennial, rolling valuations performed by external independent valuers less subsequent depreciation and impairment losses. The valuations are performed with sufficient regularity to ensure that the carrying value does not differ significantly from fair value at the balance sheet date.

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Short life equipment is valued at Depreciated Historic Cost due to the individually short life and low value of each asset. Non Short life equipment is assessed for fair value using depreciated replacement cost as a proxy. The Trust has concluded that there is no material difference between depreciated replacement cost and fair value for this class of assets.

Revaluation and impairment

Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse an impairment previously recognised in operating expenses, in which case they are recognised in operating income. Decreases in asset values and impairments are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses. Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'. Impairments relating to a loss of economic benefits or a loss of service potential are recognised in operating expenses.

On an annual basis the Trust will transfer an amount from the revaluation reserve to the Income and Expenditure reserve to transfer the excess of current cost depreciation over historical cost depreciation to the Income and Expenditure Reserve.

Depreciation

Items of Property, Plant and Equipment are depreciated on a straight line basis over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated. Property, Plant and Equipment which has been reclassified as 'Held for Sale' ceases to be depreciated upon the reclassification. Depreciation is applied in the quarter after the asset is brought into use.

Assets in the course of construction and residual interests in off-statement of financial position sheet Private Finance Initiative contract assets are not depreciated until the asset is brought into use or reverts to the Trust, respectively. Assets held under finance leases are depreciated over their estimated useful lives or, where shorter, the lease term.

Buildings, installations and fittings are depreciated on their current value over the estimated remaining life of the asset as advised by the Trust's valuer, currently the District Valuer. Leaseholds are depreciated over the primary lease term.

Equipment is depreciated evenly over the estimated life of the asset.

In assessing estimated useful economic lives, consideration is given to any contractual arrangements and operational requirements relating to particular assets. Unless otherwise determined by operational requirements, the depreciation periods for the principal categories of tangible assets are, in general, as follows:

plant & machinery	5-15 years
transport equipment	7 years
information technology	5-8 years
furniture & fittings	5 years
dwellings	up to 51 years per District Valuer's valuation
other buildings	up to 51 years per District Valuer's valuation

De-recognition of Property, Plant & Equipment

Assets planned to be scrapped or demolished are held as operational assets with revised lives to reflect the period over which the assets economic life has been shortened. Once the asset has been disposed of it ceases to be recognised and is removed from the Trust's Fixed Asset Register.

Assets planned for sale on disposal are reclassified as 'Held for Sale' once all of the following criteria are met:

- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;

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- there is documented management intent and approval in line with the Trust's Standing Financial Instructions to sell the asset;
- an active programme has begun to find a buyer and complete the sale;
- the asset is being actively marketed at a reasonable price;

- the sale is expected to be completed within 12 months of the date of classification as 'Held for Sale'; and
- it is highly unlikely that the plan to sell the asset will be cancelled or materially changed so as to delay or impair the process such that the sale will take longer than 12 months or cease completely.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met.

Donated assets

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

Private Finance Initiative (PFI) transactions

PFI transactions which meet the International Financial Reporting Interpretations Committee 12 (IFRIC 12 - Service Concession Arrangements) definition of a service concession, as interpreted in HM Treasury's Financial Reporting Manual, are accounted for as 'on-Statement of Financial Position' by the Trust. The underlying assets are recognised as Property, Plant and Equipment at their fair value which is periodically assessed in line with the Trust's valuation policy. An equivalent financial liability is recognised in accordance with International Accounting Standard 17 (IAS 17 - Leases). The annual contract payments are split into the repayment of the liability, a finance cost and the charges for services. The finance cost is calculated using the effective interest rate for the scheme. The service charge is recognised in operating expenses and the finance cost is charged to Finance Costs in the Statement of Comprehensive Income.

For PFI transactions which do not meet the IFRIC12 definition of a service concession, as interpreted in HM Treasury's Financial Reporting Manual, the PFI payments are recorded as an operating expense. Where the Trust has contributed to land and buildings, a prepayment for their fair value is recognised and amortised over the life of the PFI contract by charge to the Statement of Comprehensive Income. Where, at the end of the PFI contract, a property reverts to the Trust, the difference between the expected fair value of the residual on reversion and any agreed payment on reversion is built up over the life of the contract by capitalising part of the unitary charge each year, as a tangible fixed asset.

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:

- a) Payment for the fair value of services received;
- b) Payment for the PFI asset, including finance costs; and
- c) Payment for the replacement of components of the asset during the contract 'lifecycle replacement'.

Services received

The fair value of services received in the year is recorded under the relevant expenditure headings within 'operating expenses'.

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PFI Asset

The PFI assets are recognised as property, plant and equipment, when they come into use. The assets are measured initially at fair value in accordance with the principles of IAS 17 (Leases). Subsequently, the assets are measured at fair value, which is kept up to date in accordance with the Trust's approach for each relevant class of asset in accordance with the principles of IAS 16 (Property, Plant and Equipment).

PFI liability

The PFI liability is measured initially at the same amount as the fair value of the PFI asset and is subsequently measured as a finance lease liability in accordance with IAS 17 (Leases).

An annual finance cost is calculated by applying the implicit interest rate in the lease to the opening lease liability for the period, and is charged to 'Finance Costs' within the Statement of Comprehensive Income.

The element of the annual unitary payment that is allocated as a finance lease rental is applied to meet the annual finance cost and to repay the lease liability over the contract term.

Lifecycle replacement

Components of the asset replaced by the operator during the contract ('lifecycle replacement') are capitalised where they meet the Trust's criteria for capital expenditure. They are capitalised at the time they are provided by the operator and are measured initially at their cost and depreciated over the shorter of either remaining life of the contract or the life of the individual asset.

Assets contributed by the Trust to the operator for use in the scheme

Assets contributed for use in the scheme continue to be recognised as items of property, plant and equipment in the Trust's Statement of Financial Position.

1.6 Inventories

Inventories are valued at the lower of cost and net realisable value, on a first in first out basis.

1.7 Research and Development

Expenditure on research is not capitalised, it is charged as an expense through the Statement of Comprehensive Income. Expenditure on development is capitalised only where all of the following can be demonstrated:

- the project is technically feasible to the point of completion and will result in an intangible asset for sale or use;
- the Trust intends to complete the asset and sell or use it;
- the Trust has the ability to sell or use the asset;
- how the intangible asset will generate probable future economic or service delivery benefits e.g. the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;
- adequate financial, technical and other resources are available to the Trust to complete the development and sell or use the asset; and
- the Trust can measure reliably the expenses attributable to the asset during development.

1.8 Cash and Cash Equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that are short-term (3 months or less from date of acquisition) and are readily convertible to known amounts of cash with insignificant risk of change in value.

1.9 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rate of 2.2% in real terms, except for early retirement provisions and injury benefit provisions which both use the HM Treasury's pension discount rate of 2.8% (2010/11 2.9%) in real terms.

Clinical negligence costs

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the Trust pays an annual contribution to the NHSLA, which, in return, settles all clinical negligence claims. Although the NHSLA is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the Trust is disclosed at note 19 but is not recognised in the Trust's accounts.

Non-clinical risk pooling

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

1.10 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 24 where an inflow of economic benefits is probable. Contingent liabilities are not recognised, but are instead disclosed in note 24. Contingent liabilities are defined as:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

1.11 Expenditure on Employee Benefits

Short-term Employee Benefits

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

Pension costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the NHS Pensions Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. It is not possible for the Trust to identify its share of the underlying scheme liabilities. Therefore, the scheme is accounted for as a defined contribution scheme.

Employer's pension cost contributions are charged to operating expenses as and when they become due.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the operating expenses at the time the Trust commits itself to the retirement, regardless of the method of payment.

1.12 Critical accounting judgements and key sources of estimation uncertainty

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

1.13 Critical judgements in applying accounting policies

The Trust is required under IAS1 (Presentation of Financial Statements) to disclose the critical judgements, apart from those involving estimations (see note 1.14) that management has made in the process of applying the Trust's accounting policies and that have the most significant effect on the amounts recognised in the financial statements. The following areas are where the application of the Trust's accounting policies involved significant judgements;

(a) The assumption within the Research and Development business unit is that it breaks even in any financial year. The head of the business unit regularly reviews the income and costs and flexes resource and obtains sources of income depending on the activity of the department.

(b) The Trust's policy on stock valuation is based on a first in first out basis. Some of the stock is valued manually and in some cases it has been necessary to value this stock on an average cost basis of stock purchased during the year. This has no material impact on the year end stock valuation.

1.14 Key sources of estimation uncertainty

The Trust is required under IAS1 (Presentation of Financial Statements), to disclose key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Trust has reviewed the areas where there are sources of estimation uncertainty, including provision balances, PFI transactions, NHS injury scheme income and balances, income and debtor balances relating to contracted NHS income, debtor balances and asset valuations.

Within the calculated figure of depreciation disclosed in the Statement of Comprehensive Income is an element of accelerated depreciation. This figure is based upon the Trust's judgement as to how the life and current use of buildings and equipment will change in direct relation to the site rationalisation plan and the Cross Site Strategy Programme for buildings that have been approved by the Trust's Board. The accelerated depreciation judgement reflects the Trust's view on the future use of these buildings as at 31 March 2012 and therefore could be different to actual future events.

Within Provisions is an estimate of redundancy costs. This value is based on the Trust's judgement of the anticipated costs of current workforce changes, which uses an average cost of a group of staff. The actual cost could be different to the estimated values.

With the exception of the two points above, the Trust has not made any further estimations or judgements that could have a significant risk of materially adjusting the carrying values of any other assets or liabilities within the next financial year.

1.15 Value Added Tax

Most of the activities of the Trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

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1.16 Foreign exchange

The functional and presentational currencies of the Trust are sterling. A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction. There are minimal foreign currency transactions.

1.17 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Trust has no beneficial interest in them. However, they are disclosed in a separate note to the accounts (Note 21.2) in accordance with the requirements of HM Treasury's Financial Reporting Manual.

1.18 Leases

Finance leases

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

Operating leases

Other leases are regarded as operating leases and the rentals are charged to operating expenses on a straight-line basis over the term of the lease. Operating lease incentives received (e.g. reduced rentals or rent free periods) are added to the actual lease rentals invoiced and charged to operating expenses over the life of the lease to give a similar rental charge per year across each year of the lease.

Leases of land and buildings

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

Leasor

Where the Trust acts as the leasor, the income due to the Trust is accounted for on an accruals basis.

1.19 Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS Trust. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32 (Financial Instruments: Presentation). A charge, reflecting the forecast cost of capital utilised by the Trust, is paid over as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the actual average relevant net assets of the Trust as recorded in the unaudited year end accounts. The calculated dividend is not revised if any adjustments to net relevant assets are identified during the final audit process. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for donated assets and cash held with the Government Banking Services. Average relevant net assets are calculated as the arithmetic mean of opening and closing relevant net assets.

1.20 Other reserves

Other reserves are created to account for any differences between the value of fixed assets taken over by the Foundation Trust at inception and the corresponding figure in the opening capital debt.

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1.21 Losses and Special Payments

Losses and special payments are incurred when there is an excess to pay on claims made through the NHS Litigation Authority for non-clinical claims or where the amount is below the excess in which case it is paid directly to the individual or organisation. This would be the case for small monetary value items such as spectacles, cash and clothing.

Losses and special payments are reported on an accruals basis, but exclude provisions for future losses.

1.22 Corporation Tax

NHS Foundation Trusts are potentially liable to corporation tax in certain circumstances. A review of other operating income is performed annually to assess any potential liability in conjunction with guidance on the HMRC website. As a result of this review it is concluded that the Trust did not have a corporation tax liability in 2010/11 or 2011/12.

1.23 Financial instruments and financial liabilities

Recognition

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

De-recognition

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

Classification and Measurement

Financial assets are categorised as 'Fair Value through Income and Expenditure', 'Loans and receivables' or Assets 'Held to maturity'. Financial liabilities are classified as 'Fair value through Income and Expenditure' or as 'Other Financial liabilities'.

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

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

Loans and receivables

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

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Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity, and there is a positive intention and ability to hold to maturity. After initial recognition, they are held at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

Available-for-sale financial assets

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

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

Other financial liabilities

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

Impairment of financial assets

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

1.24 **NHS Charitable Funds**

The Trust is the Corporate Trustee for Heart of England NHS Foundation Trust General Charitable Fund (Charity Number 1052330). IAS 27 (Consolidated and Separate Financial Statements) indicates that the Charity represents a subsidiary of the Trust. However, because HM Treasury has granted a dispensation to the application of IAS 27 in relation to the consolidation of NHS Charitable Funds until 31/3/2014, consolidated accounts have not been prepared.

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NOTES TO THE ACCOUNTS

1.25 Accounting standards that have been issued but have not yet been adopted

a) IASB standard and IFRIC interpretations

The accounting standards listed below have been issued by the International Accounting Standards Board (IASB) but have not yet been adopted in the NHS in 2011/12. NHS bodies cannot adopt new standards unless they have been adopted in the HM Treasury FReM. The HM Treasury FReM generally does not adopt an international standard until it has been endorsed by the European Union for use by listed companies.

In some cases, the standards may be interpreted in the HM Treasury FReM and therefore may not be adopted in their original form. The following table lists changes issued by the IASB which have not yet been adopted:

Change published	Published by IASB	Financial year in which the change first applies
IFRS 7 Financial Instruments: Disclosures - amendment Transfers of financial assets	October 2010	Effective date of 2012/13 but not yet adopted by the EU.
IFRS 9 Financial Instruments Financial Assets: Financial Liabilities:	November 2009 October 2010	Uncertain. Not likely to be adopted by the EU until the IASB has finished the rest of its financial instruments project.
IFRS 10 Consolidated Financial Statements	May 2011	Effective date of 2013/14 but not yet adopted by the EU.
IFRS 11 Joint Arrangements	May 2011	Effective date of 2013/14 but not yet adopted by the EU.
IFRS 12 Disclosure of Interests in Other Entities	May 2011	Effective date of 2013/14 but not yet adopted by the EU.
IFRS 13 Fair Value Measurement	May 2011	Effective date of 2013/14 but not yet adopted by the EU.
IAS 12 Income Taxes amendment	December 2010	Effective date of 2012/13 but not yet adopted by the EU.
IAS 1 Presentation of financial statements, on other comprehensive income (OCI)	June 2011	Effective date of 2013/14 but not yet adopted by the EU.
IAS 27 Separate Financial Statements	May 2011	Effective date of 2013/14 but not yet adopted by the EU.
IAS 28 Associates and joint ventures.	May 2011	Effective date of 2013/14 but not yet adopted by the EU.

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Note 2.1 Operating Segments

Trust wide summary of segments

	2011/12			2010/11		
	Operational Healthcare £'000	Research and Development £'000	Total Segments £'000	Operational Healthcare £'000	Research and Development £'000	Total Segments £'000
Income	587,259	3,578	590,837	540,524	3,039	543,563
Costs	(506,567)	(3,578)	(510,145)	(457,385)	(3,369)	(460,754)
Net surplus/(deficit)	80,692	0	80,692	83,139	(330)	82,809

Operational Healthcare refers to the core activities of the Trust that fall under the remit of the Group Operational Directors. This activity is primarily the provision of NHS healthcare, either to patients and charged to the Primary Care Trusts (PCTs) via the local delivery plan (LDP), or where healthcare related services are provided to other Trusts, Foundations Trusts, Strategic Health Authorities (SHAs), PCTs and Local Councils and charged at service level agreement (SLA) prices.

The Operational Healthcare segment comprises the six clinical Operational Groups (Emergency Services, Planned Inpatient Care, Ambulatory Care, Clinical Support, Women's and Children's Services and Solihull Community Services). These Operational Groups have been aggregated into a single operating segment because they have similar economic characteristics, the nature of the services they offer are the same (free NHS care), they have similar customers (the general public from the surrounding geographical areas) and have the same regulators (Monitor, Care Quality Commission and the Department of Health). The overlapping activities and interrelation between the Groups also suggests that aggregation is applicable. The Group Operations Directors report to the Medical Director, and it is the Medical Director that ultimately makes decisions alongside the Finance Director and Chief Executive about the allocations of budgets, capital funding and other financial decisions. The income the Trust earns for the Operational Healthcare activity is not allocated out to the operational groups on a monthly basis.

The costs associated with the activities of the Operational Groups are the costs of providing these healthcare services, including running the wards, theatres and clinics where these services are provided and mostly comprise staffing costs, drugs and medical consumables and supplies. In addition, the capital costs of the Trust are included in this segment as the majority of the value of the estate and equipment relates to the assets required to provide healthcare services.

The PCTs account for more than 90% of the income of Operational Healthcare and the majority of the income is from the West Midlands.

The Research and Development segment refers to the activities of the Trust that focus specifically on pioneering developments and researching innovations and advancements in healthcare provision. The R&D directorate is funded by grants and income from commercial bodies, such as pharmaceutical companies, research organisations, medical charities and the Department of Health. The activities it conducts include medical trials, data analysis and writing medical journals and papers. The costs of the segment are mostly staffing costs and medical supplies costs and are distinctly identifiable from other Trust costs. Indirect overheads of Trust corporate departments are not included within these numbers.

Because the Trust's assets are only reported at a consolidated level to Finance and Performance Committee and Trust Board it is not possible to separate them by segment.

Reconciliation between segments and Trust wide results

	2011/12 £'000	2010/11 £'000
Income		
Segmental income	590,837	543,563
Corporate and facilities income	16,193	17,730
Trust wide income	607,030	561,293
Surplus		
Segmental surplus	80,692	82,809
Corporate and facilities deficits	(74,017)	(81,593)
Net Impairments	0	(9,358)
Trust wide surplus / (deficit)	6,675	(8,142)

The corporate and facilities departments are those that provide support services to the Operational Healthcare segment.

The facilities departments include catering (provisions to patients, staff and visitors), car parking (patients, staff and visitors), portering, cleaning services, post, and estates management. The corporate departments include the Board of Directors, Corporate Nursing, Finance, Human Resources and Organisational Development, Information Communications and Technology (ICT), Corporate Affairs, and Governance. The costs of the corporate departments are primarily staffing costs, insurance costs and legal and consultancy costs.

Although the corporate and facilities departments earn some income, this is ancillary to the main purpose of the department and is small relative to the size of the Trust, so is not deemed to be a segment of its own.

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NOTES TO THE ACCOUNTS

Note 2.2 Operating Income

	2011/12	2010/11
	Total	Total
	£000	£000
Income from activities (See Note 2.2.1 below)	538,058	497,430
Other operating income (See Note 2.6)	68,972	63,863
TOTAL	607,030	561,293

Note 2.2.1 Income from activities

	2011/12	2010/11
	Total	Total
	£000	£000
NHS Foundation Trusts	0	0
NHS Trusts	0	0
Strategic Health Authorities	0	0
Primary Care Trusts	533,432	493,563
Local Authorities	0	0
Department of Health - grants	0	0
NHS Other	236	341
Non NHS: Private patients	579	505
Non-NHS: Overseas patients (non-reciprocal)	200	119
NHS injury scheme (was RTA)	3,611	2,902
TOTAL	538,058	497,430

Income from Primary Care Trusts has increased in the year by approximately £36 million as a result of the new Community Services contracts. More detail on this change can be found in note 33

NHS Injury Scheme income is subject to a provision for doubtful debts of 10.5% (9.6% in 2010/11) to reflect expected rates of collection.

Note 2.3 Mandatory and non-mandatory split of income from activities

Of the total income from activities, £533,668k (2010/11 £493,904k) is mandatory and £4,390k (2010/11 £3,526k) is non-mandatory income. Mandatory income is defined as NHS clinical income from PCTs and other NHS organisations.

Note 2.4 Private Patient Income

	2011/12	2010/11	Base Year
	£000	£000	£000
Private patient income	579	505	506
Total patient related income	538,058	497,430	257,459
Proportion (as percentage)	0.11%	0.10%	0.20%

The private patient cap has not been exceeded in 2011/12 or 2010/11. The private patient cap percentage 0.20% was calculated in 2003/04 as the percentage of the Trust's patient related income generated by private patient income. Section 44 of the 2006 National Health Service Act requires that the proportion of private patient income to the total patient related income of the Foundation Trust should not exceed its proportion whilst the body was an NHS Trust in 2002 /03 or the base year.

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NOTES TO THE ACCOUNTS

Note 2.5 Operating Lease Income

	2011/12	2010/11
	Total	Total
	£000	£000
Operating Lease Income		
Rents recognised as income in the period	56	53
Contingent rents recognised as income in the period	0	0
TOTAL	56	53
Future minimum lease payments due		
not later than one year;	56	31
later than one year and not later than five years;	0	0
later than five years.	0	0
TOTAL	56	31

The Trust leases the Clinical Waste Facility based at the Yardley Green Road site to Tradebe Healthcare Limited (formerly Britcare Limited). The previous lease was for a 10 year term, ending October 2011 which was for a rental payment per annum of £40k which was subject to an annual review. In year, a new lease was signed due to end 31st March 2013.

Note 2.6 Other Operating Income

	2011/12	2010/11
	Total	Total
	£000	£000
Research and development	3,599	3,633
Education and training	20,056	21,054
Charitable and other contributions to expenditure	204	672
Non-patient care services to other bodies	27,605	24,199
Car parking income	4,039	3,782
Staff accommodation rentals	254	248
Clinical excellence awards	1,282	1,267
Catering income	638	608
Property rentals	1,180	717
Reversal of impairments of property, plant and equipment	0	2,789
Other	10,115	4,894
TOTAL	68,972	63,863

Car Parking includes £1,250k (2010/11 £892k) of income from charging staff who park on Trust Premises. Car parking income covers the cost of the car park and security staff, ground maintenance, services and utility and capital charges. The Trust does not make a surplus on this income.

Other income for 2011/12 of £10.1m (2010/11 £6.6m) includes £1.4m (2010/11 £1.7m) in respect of charges levied on local authorities for delayed discharges from care and £1.0m (2010/11 £0.8m) in respect of income for the Trust's medical illustration department. It also includes £2.4m (2010/11 zero) of Community Services income which has been transferred into the Trust from other NHS organisations.

Property rentals of £1,180k (2010/11 £717k) comprises a number of agreements with third party organisations of both a formal and informal nature for the rental of Trust space. This is broken down as follows:

	2011/12	2010/11
	£000	£000
Sterilisation Services	117	90
Clinical waste services (Tradebe Healthcare see note 2.5)	56	58
Local Authority Social Service teams	0	17
PCT - community service wards	364	364
Other PCT use of space	38	72
WH Smith	42	51
BHE Heartlands (Assura)	364	65
Other commercial organisations	199	65
	1,180	717

NOTES TO THE ACCOUNTS

Note 3.1 Operating Expenses

	2011/12 Total £000	2010/11 Total £000
Employee Expenses (1)	383,497	346,413
Drug costs	43,769	41,762
Supplies and services - clinical (excluding drug costs)	61,245	56,826
Supplies and services - general	15,936	15,304
Establishment	7,616	6,363
Research and development (2)	2,217	2,673
Transport	1,033	842
Premises	28,249	20,796
Increase in bad debt provision	2,365	1,243
Other impairment of financial assets	0	0
Depreciation on property, plant and equipment	19,256	23,815
Amortisation on intangible assets	600	835
Impairments of property, plant and equipment (3)	0	12,147
Audit fees (4)		
audit services - statutory audit	110	113
audit services - regulatory reporting	0	0
Other auditors remuneration		
further assurance services	0	0
other services (4)	0	0
Clinical negligence	12,401	9,754
Loss on disposal of investments	0	0
Loss on disposal of intangible fixed assets	0	0
Loss on disposal of land and buildings (5)	1,967	0
Loss on disposal of other property, plant and equipment	68	76
Legal fees	1,386	692
Consultancy costs (6)	1,530	5,182
Training, courses and conferences	1,996	1,574
Patient travel	2,711	2,377
Car parking and Security	1,002	797
Restructuring	(1,680)	4,868
Early retirements	24	48
Hospitality	86	132
Publishing	174	128
Insurance	514	572
Other services	2,286	3,993
Losses, ex gratia and special payments	230	725
Other	2,275	1,635
TOTAL	592,863	561,685

(1) Employee Expenses is broken down as follows:

	£000	£000
Executive Directors	1,301	1,406
Non Executive Directors	151	167
Staff	382,045	344,840
	383,497	346,413

(2) All of the research and development expenditure is current year expenditure.

(3) Relates to the revaluation of assets. Further details can be found in note 9.7.

(4) The audit fee of £110k (2010/11 £113k) relates to statutory and regulatory audit external work, including the fees for Quality Accounts.

(5) In December 2011 Trust Board decided to cancel the ACAD project. All capitalised costs incurred on the project have now been written off.

(6) Included in consultancy is £64k (2010/2011 £2,753k) spent on National Leadership Council board development and clinical leadership programmes on behalf of the Department of Health. These programmes are fully funded by the Department of Health and the income is shown in other operating income.

Expenditure includes costs to run the newly acquired community services contract work as of 1 April 2011. Note 33 provides additional detail.

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NOTES TO THE ACCOUNTS

Note 3.2 Operating lease expenditure

	2011/12	2010/11
	Total	Total
	£000	£000
Hire of plant and machinery	531	631
Expenditure on other operating leases	249	277
TOTAL	780	908

Note 3.3 Analysis of Operating leases

	2011/12	2010/11
	Total	Total
	£000	£000
Minimum lease payments	780	908
Contingent rents	0	0
Less sublease payments received	0	0
TOTAL	780	908

	31 Mar 12	31 Mar 11
	£000	£000
Future minimum lease payments due:		
not later than one year;	625	729
later than one year and not later than five years;	954	1,102
later than five years.	816	926
TOTAL	2,395	2,757

The Trust holds various non-cancellable operating lease agreements within a lease portfolio which covers assets including medical equipment, vehicles, photocopying equipment and several short term leasehold buildings.

At the beginning of the 2011/12 year there were 20 lease agreements in place for various items of medical equipment ranging from electric profiling beds to CT scanners. The length of these leases ranges between five to ten years. In addition, there are four operating contracts in place for the lease of buildings which includes three Renal dialysis units, and an Outpatient clinic facility in Solihull Mell Square. During the year a lease for a temporary ward block was terminated at Good Hope, and the asset returned to the lessor, to make space for the Theatres replacements. The remaining lease agreements range from five to twenty years in duration.

The Trust utilises Leaseguard to support the renewal of the majority of the lease portfolio. The Trust does not have pre-determined purchase options written into the current lease agreements, but the right to purchase the leased assets is assessed at the decision point within each lease.

Note 3.4 Salary And Pension Entitlements Of Senior Managers

A) Remuneration

Name and Title	2011/12				2010/11			
	Salary (bands of £5000) £000	Bonus payments (bands of £5000) £000	Other Remuneration (bands of £5000) £000	Benefits in Kind Rounded to the nearest £100	Salary (bands of £5000) £000	Bonus payments (bands of £5000) £000	Other Remuneration (bands of £5000) £000	Benefits in Kind Rounded to the nearest £100
Mark Newbold (Chief Executive)	185-190	0	0	0	125-130	0	0	0
Mandy Coalter (HR Director)	100-105	0	0	0	150-155	0	0	0
Aresh Anwar (Medical Director w.e.f. 1 Mar 11)	190-195	0	0	0	10-15	0	0-5	0
Sarah Woolley (Director of Safety and Governance)	140-145	0	0	0	140-145	0	0	0
Adrian Stokes (Director of Finance & Performance & Deputy Chief Executive)	155-160	0	0	0	145-150	0	0	0
Mandie Sunderland (Chief Nurse)	120-125	0	0	0	125-130	0	0	0
Simon Hackwell (Commercial Director w.e.f 1.4.11)	125-130	0	0	0				
Phillip Hunt (Chairman)	50-55	0	0	0	5-10	0	0	0
Anna East (Non Executive Director)	15-20	0	0	0	15-20	0	0	0
Richard Samuda (Non Executive Director)	15-20	0	0	0	15-20	0	0	0
Richard Harris (Non Executive Director)	10-15	0	0	0	10-15	0	0	0
Paul Hensel (Non Executive Director)	10-15	0	0	0	10-15	0	0	0
Najma Hafeez (Non Executive Director)	10-15	0	0	0	10-15	0	0	0
David Bucknall (Non Executive Director)	10-15	0	0	0	10-15	0	0	0

Other remuneration reflects salary paid to Medical Directors for their posts as Clinical Directors.

Under IAS 24 (Related Party Disclosures) there are additional disclosure requirements for all key management personnel. This additional disclosure is made in note 25.3.

The median remuneration of the Trust's staff is £26k (£25k 2010/11) compared to the mid point of the banded remuneration of the highest paid director above £192.5k (£152.5k 2010/11). The ratio of the median to highest paid director is 0.14 (0.16 2010/11). The highest paid director in 2011/12 is the Medical Director, not the Chief Executive.

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Note 3.4 Salary And Pension Entitlements Of Senior Managers (cont'd)

B) Pension Benefits

Name and title	Real increase in pension at age 60 (bands of £2500) £000	Real increase in lump sum at age 60 (bands of £2500) £000	Total accrued pension at age 60 at 31 March 2012 (bands of £5,000) £000	Lump sum at age 60 related to accrued pension at 31 March 2012 (bands of £5000) £000	Cash Equivalent Transfer Value at 31 March 2012 £000	Cash Equivalent Transfer Value at 31 March 2011 £000	Real Increase in Cash Equivalent Transfer Value £000	Employers Contribution to Stakeholder Pension To nearest £100
Mark Newbold (Chief Executive)	5-7.5	17.5-20	65-70	200-205	1,277	1,066	125	0
Mandy Coalter (HR Director)	-2.5-5	-12.5-15	20-25	65-70	289	278	2	0
Aresh Anwar (Medical Director w.e.f. 1 Mar 11)	2.5-5	12.5-15	30-35	100-105	522	519	(9)	0
Sarah Woolley (Director of Safety and Governance)	2.5-5	7.5-10	25-30	75-80	360	257	66	0
Adrian Stokes (Director of Finance & Performance & Deputy Chief Executive)	2.5-5	7.5-10	25-30	80-85	395	285	71	0
Mandie Sunderland (Chief Nurse)	0-2.5	2.5-5	40-45	120-125	683	586	56	0
Simon Hackwell (Commercial Director w.e.f 1.4.11)	5-7.5	20-22.5	15-20	45-50	262	130	89	0

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.

NHS Pensions are using the most recent set of actuarial factors produced by the Government Actuaries Department with effect from 9 September 2010. These were updated at that time to reflect the change in the indexation measure. The Government announced in July 2010 that from 2011 the Consumer Price Index (CPI) will replace the Retail Price Index (RPI) for indexation in deferment and in payment. The new factors assume that benefits are indexed in line with CPI which is expected to be lower than RPI and hence will produce lower transfer values (CETV). As such reductions in CETV in 2011 compared to 2010 have often resulted.

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Note 4.1 Employee Expenses

	2011/12	2011/12	2011/12	2010/11
	Total	Permanent	Other	Total
	£000	£000	£000	£000
Salaries and wages	308,149	308,149	0	290,370
Social security costs	24,169	24,169	0	17,693
Pension costs - defined contribution plans				
Employers contributions to NHS Pensions	34,549	34,549	0	28,351
Pension Cost - other contributions	0	0	0	0
Termination benefits	0	0	0	181
Agency/contract staff	14,823	0	14,823	14,567
TOTAL	381,690	366,867	14,823	351,162

In addition to the costs above, the Trust has incurred Capitalised staff costs of £637k (£786k, 2010/11).

Total employee expenses do not include non executive director costs but include redundancy and early retirement costs as disclosed in Note 3.1.

Note 4.2 Monthly average number of employees (whole time equivalent)

	2011/12	2010/11
	Total	Total
	Number	Number
Medical and dental	990	950
Ambulance staff	0	0
Administration and estates	2,143	1,963
Healthcare assistants and other support staff	1,487	1,375
Nursing, midwifery and health visiting staff	3,044	2,745
Nursing, midwifery and health visiting learners	0	0
Scientific, therapeutic and technical staff	1,402	1,217
Social care staff	0	0
Bank and agency staff	401	303
Other	0	0
TOTAL	9,467	8,553

Note 4.3 Employee benefits in kind

There were no employee benefits in kind in 2011/12 or 2010/11.

Note 4.4 Early retirements due to ill health

	2011/12	2010/11
	Total	Total
Number of early retirements on the grounds of ill-health	6	9
Value of early retirements on the grounds of ill-health (£000)	311	1,138

The cost of these ill health retirements will be borne by the NHS Business Services Authority (Pensions Division).

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NOTES TO THE ACCOUNTS

Note 4.5 Staff sickness absence

	2011/12 Number	2010/11 Number
Days lost (long term)	76,828	71,713
Days lost (short term)	47,236	50,124
Total days lost	124,064	121,837
Total staff years	9,075	8,396
Average working days lost	13.6	14.5
Total staff employed in period (headcount)	10,545	9,614
Total staff employed in period with no absence (headcount)	4,865	3,511
Percentage staff with no sick leave	46.1%	36.5%

Note 4.6 Compensation schemes-Exit packages

Exit package cost band	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band	
	2011/12	2010/11	2011/12	2010/11	2011/12	2010/11
<£10,000	0	0	0	1	0	1
£10,001 - £25,000	0	0	3	2	3	2
£25,001 - £50,000	0	0	0	0	0	0
£50,001 - £100,000	0	0	1	0	1	0
£100,001 - £150,000	0	0	0	1	0	1
£150,001 - £200,000	0	0	0	0	0	0
Total number of exit packages by type	0	0	4	4	4	4
Total cost	£0	£0	£110,305	£130,844	£110,305	£130,844

Redundancy and other departure costs have been accounted for in full in the year. All of these items has been approved by HM Treasury and Monitor.

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NOTES TO THE ACCOUNTS

Note 4.7 Pension costs

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

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

a) Full actuarial (funding) valuation

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

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

b) Accounting valuation

A valuation of the scheme liability is carried out annually by the scheme actuary as at the end of the reporting period. Actuarial assessments are undertaken in intervening years between formal valuations using updated membership data are accepted as providing suitably robust figures for financial reporting purposes. However, as the interval since the last formal valuation now exceeds four years, the valuation of the scheme liability as at 31 March 2012, is based on detailed membership data as at 31 March 2010 updated to 31 March 2012 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

c) Scheme provisions

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

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

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NOTES TO THE ACCOUNTS

Note 4.7 Pension costs (continued)

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

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

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

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

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

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Note 5 Better Payment Practice Code

Better Payment Practice code-measure of compliance

	Number 2011/12	Value 2011/12 £000	Number 2010/11	Value 2010/11 £000
Total bills paid in the year	158,521	175,632	156,139	189,640
Total bills paid within target	147,185	167,600	143,155	180,853
Percentage of bills paid within target	93%	95%	92%	95%

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

Note 6 Finance income

	2011/12 £000	2010/11 £000
Interest on loans and receivables	1,365	1,121
Interest on available for sale financial assets	0	0
Interest on held-to-maturity financial assets	0	0
TOTAL	1,365	1,121

The interest receivable arose from interest earned in the main current account and from surplus cash placed in commercial deposit accounts and in bank bonds.

Note 7.1 Finance costs

	2011/12 £000	2010/11 £000
Finance leases	165	164
Finance Costs in PFI obligations:		
Main Finance Costs	162	172
Contingent Finance Costs	0	0
Other	0	0
TOTAL	327	336

The Trust holds three Finance lease contracts all of which relate to building assets and in duration range from 25 years to 99 years. The buildings held under finance lease are the Birmingham Chest Clinic, The Glaxo Renal Unit and the Heartlands Education Centre Limited. Within these agreements the Trust does not have a contingent rent liability and does not have any outstanding sublease payments to be received.

The finance lease contracts held by the Trust do not contain any potential for the Trust to be exposed to contingent rent liabilities. The Birmingham Chest Clinic lease does not contain an option to purchase the building due to the part occupancy nature of the tenancy. The Heartlands Education Centre reverts to Trust ownership at the end of the lease term.

The finance leases held by the Trust do not restrict the Trust in any way due to relatively small size and structure of the borrowing.

Note 7.2 Impairment of Property, Plant and Equipment Assets

	2011/12 £000	2010/11 £000
Reversal of impairments	0	(2,789)
Changes in market price	0	15,424
TOTAL	0	12,635

There were no impairments relating to Property, Plant and Equipment assets within 2011/12. The 2010/11 impairment arose from a revaluation of estate.

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Note 8.1 Intangible assets 2011/12

	Total	Software licences (purchased)	Licences & trademarks (purchased)	Other (purchased)	Intangible Assets Under Construction
	£000	£000	£000	£000	£000
Gross cost at 1 April 2011	7,561	5,511	0	0	2,050
Reclassifications	(117)	0	0	0	(117)
Additions - purchased	2,569	792	0	0	1,777
Additions - donated	11	0	0	0	11
Transferred to disposal group as asset held for sale	0	0	0	0	0
Disposals	0	0	0	0	0
Gross cost at 31 March 2012	10,024	6,303	0	0	3,721
Accumulated Amortisation at 1 April 2011	4,616	4,616	0	0	0
Provided during the year	600	600	0	0	0
Impairments	0	0	0	0	0
Reclassifications	0	0	0	0	0
Revaluation surpluses	0	0	0	0	0
Transferred to disposal group as asset held for sale	0	0	0	0	0
Disposals	0	0	0	0	0
Accumulated Amortisation at 31 March 2012	5,216	5,216	0	0	0
Net book value					
NBV - Purchased at 1 April 2011	2,933	883	0	0	2,050
NBV - Donated at 1 April 2011	12	12	0	0	0
NBV total at 1 April 2011	2,945	895	0	0	2,050
Net book value					
NBV - Purchased at 31 March 2012	4,792	1,072	0	0	3,720
NBV - Donated at 31 March 2012	17	16	0	0	1
NBV total at 31 March 2012	4,809	1,088	0	0	3,721

The intangible asset base held by the Trust is currently valued using a depreciated cost model due to the individually low value of the assets and also due to the lack of evidence to suggest a fall in value. An active market does not exist and, as the Trust's intangibles are not income generating, the depreciated replacement cost model has been applied. The asset under construction relates to the electronic scanning of medical records which will be an asset that is internally generated.

The Trust's intangible asset base has a finite life ranging from five to ten years and each asset is being amortised over this period. The Trust does not hold intangible assets funded by government grants.

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NOTES TO THE ACCOUNTS

Note 8.2 Intangible assets 2010/11

	Total	Software licences (purchased)	Licences & trademarks (purchased)	Other (purchased)	Intangible Assets Under Construction
	£000	£000	£000	£000	£000
Gross cost at 1 April 2010	6,350	5,176	0	0	1,174
Impairments charged to revaluation reserve	0	0	0	0	0
Reclassifications	100	100	0	0	0
Revaluation surpluses	0	0	0	0	0
Additions - purchased	1,111	235	0	0	876
Additions - donated	0	0	0	0	0
Transferred to disposal group as asset held for sale	0	0	0	0	0
Disposals	0	0	0	0	0
Gross cost at 31 March 2011	7,561	5,511	0	0	2,050
Accumulated Amortisation at 1 April 2010	3,775	3,775	0	0	0
Provided during the year	835	835	0	0	0
Impairments	0	0	0	0	0
Reclassifications	6	6	0	0	0
Revaluation surpluses	0	0	0	0	0
Transferred to disposal group as asset held for sale	0	0	0	0	0
Disposals	0	0	0	0	0
Accumulated Amortisation at 31 March 2011	4,616	4,616	0	0	0
Net book value					
NBV - Purchased at 1 April 2010	2,556	1,382	0	0	1,174
NBV - Donated at 1 April 2010	19	19	0	0	0
NBV total at 1 April 2010	2,575	1,401	0	0	1,174
Net book value					
NBV - Purchased at 31 March 2011	2,933	883	0	0	2,050
NBV - Donated at 31 March 2011	12	12	0	0	0
NBV total at 31 March 2011	2,945	895	0	0	2,050

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Note 9.1 Property, plant and equipment 2011/12

	Total	Land	Buildings excluding dwellings	Dwellings	Assets under Construction & POA	Plant & Machinery	Transport Equipment	Information Technology	Furniture & Fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2011	365,366	51,625	210,123	3,388	3,289	54,194	693	31,495	10,559
Additions - purchased	16,201	0	5,156	3	4,353	4,650	9	1,956	74
Additions - donated	143	0	0	0	0	131	0	12	0
Impairments charged to revaluation reserve	0								
Reclassifications	117	0	6,518	0	(6,619)	101	0	119	(2)
Revaluation surpluses	0								
Disposals	(2,185)	0	(1,967)	0	0	(218)	0	0	0
Cost or valuation at 31 March 2012	379,642	51,625	219,830	3,391	1,023	58,858	702	33,582	10,631
Accumulated depreciation at 1 April 2011	67,763		0	0		33,550	523	24,234	9,456
Provided during the year	19,256		9,590	312		6,207	54	2,905	188
Impairments recognised in operating expenses	0								
Reversal of impairments	0		0	0		0	0	0	0
Reclassifications	0		0	0		0	0	0	0
Revaluation surpluses	0		0	0		0	0	0	0
Disposals	(151)		0	0		(151)	0	0	0
Accumulated depreciation at 31 March 2012	86,868	0	9,590	312	0	39,606	577	27,139	9,644
Net book value									
NBV - Owned at 1 April 2011	286,962	51,625	200,020	3,388	3,289	20,158	170	7,253	1,059
NBV - Finance lease & PFI Assets at 1 April 2011	7,839	0	7,839	0	0	0	0	0	0
NBV - Donated at 1 April 2011	2,802	0	2,264	0	0	486	0	8	44
NBV total at 1 April 2011	297,603	51,625	210,123	3,388	3,289	20,644	170	7,261	1,103
Net book value									
NBV - Owned at 31 March 2012	282,429	51,625	200,478	3,079	1,023	18,720	125	6,428	951
NBV - Finance lease & PFI Assets at 31 March 2012	7,603	0	7,603	0	0	0	0	0	0
NBV - Donated at 31 March 2012	2,742	0	2,159	0	0	532	0	15	36
NBV total at 31 March 2012	292,774	51,625	210,240	3,079	1,023	19,252	125	6,443	987

Note 9.2 Analysis of property, plant and equipment 31 Mar 2012

	Total	Land	Buildings excluding dwellings	Dwellings	Assets under Construction & POA	Plant & Machinery	Transport Equipment	Information Technology	Furniture & Fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value									
NBV - Protected assets at 31 March 2012	214,376	51,625	162,751	0					
NBV - Unprotected assets at 31 March 2012	78,398	0	47,489	3,079	1,023	19,252	125	6,443	987
Total at 31 March 2012	292,774	51,625	210,240	3,079	1,023	19,252	125	6,443	987

Note 9.3 Additional Analysis of asset ownership

	Total	Land	Buildings	Dwellings	Assets under	Plant & Machinery	Transport	Information	Furniture & Fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
At 31 March 2012									
Freehold	289,830	51,625	207,296	3,079	1,023	19,252	125	6,443	987
Long Leasehold	2,944	0	2,944	0	0	0	0	0	0
Short Leasehold	0	0	0	0	0	0	0	0	0
NBV total at 31 March 2012	292,774	51,625	210,240	3,079	1,023	19,252	125	6,443	987

The categorisation of assets as either protected or unprotected has been made in accordance with the guidance issued by Monitor in the document "Protection of Assets – Guidance for NHS FT's"

Condition 9 of the Trust's Term of Authorisation defines a protected asset as "...protected if it is required for the purposes of providing either the mandatory goods or services or the mandatory education and training as defined in the Terms of Authorisation." Examples of protected assets for the Trust include Accident & Emergency departments, ward blocks and Theatres. Unprotected assets include office areas.

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Note 9.4 Property, plant and equipment 2010/11

	Total	Land	Buildings excluding dwellings	Dwellings	Assets under Construction & POA	Plant & Machinery	Transport Equipment	Information Technology	Furniture & Fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2010	357,652	53,175	190,338	3,616	10,070	59,444	693	29,974	10,342
Additions - purchased	31,847	0	22,386	261	2,537	5,230	0	1,251	182
Additions - donated	155	0	0	0	0	141	0	0	14
Impairments charged to revaluation reserve	(3,277)	(1,550)	(1,343)	(384)	0	0	0	0	0
Reclassifications	(100)	0	9,898	(140)	(9,318)	(935)	0	332	63
Revaluation surpluses	(11,121)	0	(11,156)	35	0	0	0	0	0
Disposals	(9,790)	0	0	0	0	(9,686)	0	(62)	(42)
Cost or valuation at 31 March 2011	365,366	51,625	210,123	3,388	3,289	54,194	693	31,495	10,559
Accumulated depreciation at 1 April 2010	64,432		0	0		33,181	462	21,471	9,318
Provided during the year	23,815		10,510	98		10,154	61	2,812	180
Impairments recognised in operating expenses	12,147		12,147	0		0	0	0	0
Reversal of impairments	(2,789)		(2,789)	0		0	0	0	0
Reclassifications	(6)		156	0		(175)	0	13	0
Revaluation surpluses	(20,122)		(20,024)	(98)		0	0	0	0
Disposals	(9,714)		0	0		(9,610)	0	(62)	(42)
Accumulated depreciation at 31 March 2011	67,763	0	0	0	0	33,550	523	24,234	9,456
Net book value									
NBV - Owned at 1 April 2010	282,432	53,175	180,510	3,616	10,070	25,351	231	8,490	989
NBV - Finance Lease & PFI Assets at 1 April 2010	7,605	0	7,605	0	0	0	0	0	0
NBV - Donated at 1 April 2010	3,183	0	2,223	0	0	912	0	13	35
NBV total at 1 April 2010	293,220	53,175	190,338	3,616	10,070	26,263	231	8,503	1,024
Net book value									
NBV - Owned at 31 March 2011	286,962	51,625	200,020	3,388	3,289	20,158	170	7,253	1,059
NBV - Finance lease & PFI Assets at 31 March 2011	7,839	0	7,839	0	0	0	0	0	0
NBV - Donated at 31 March 2011	2,802	0	2,264	0	0	486	0	8	44
NBV total at 31 March 2011	297,603	51,625	210,123	3,388	3,289	20,644	170	7,261	1,103

Note 9.5 Analysis of property, plant and equipment 31 Mar 2011

	Total	Land	Buildings excluding dwellings	Dwellings	Assets under Construction & POA	Plant & Machinery	Transport Equipment	Information Technology	Furniture & Fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value									
NBV - Protected assets at 31 March 2011	224,381	51,625	172,756	0					
NBV - Unprotected assets at 31 March 2011	73,222	0	37,367	3,388	3,289	20,644	170	7,261	1,103
Total at 31 March 2011	297,603	51,625	210,123	3,388	3,289	20,644	170	7,261	1,103

Note 9.6 Additional Analysis of asset ownership

	Total	Land	Buildings excluding dwellings	Dwellings	Assets under Construction & POA	Plant & Machinery	Transport Equipment	Information Technology	Furniture & Fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
At 31 March 2011									
Freehold	289,764	51,625	202,284	3,388	3,289	20,644	170	7,261	1,103
Long Leasehold	7,839	0	7,839	0	0	0	0	0	0
Short Leasehold	0	0	0	0	0	0	0	0	0
NBV total at 31 March 2011	297,603	51,625	210,123	3,388	3,289	20,644	170	7,261	1,103

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NOTES TO THE ACCOUNTS

Note 9.7 Property Plant and Equipment Revaluations in 2010/11

The Trusts' revaluation policy requires a full revaluation every five years, the next one being due March 2013. This will update the interim valuation that took place in March 2011. A revaluation was not carried out in 2011/12 because the Trust believed there is no evidence that the Trusts' assets have suffered any impairment.

Note 9.8 Leased Assets to Other Organisations

The carrying amount of the assets leased to other organisations as at 31st March 2012 is £299k (£306k 2010/11). The depreciation charged during 2011/12 was £6k (2010/11 £6k).

Note 10.1 Assets held under finance leases and PFI arrangements 2011/12

	Total Finance Lease and PFI Assets £000	Buildings excluding dwellings held under Finance Lease £000	PFI arrangements £000
Cost or valuation at 1 April 2011	7,839	3,055	4,784
Additions - purchased	0	0	0
Impairments charged to revaluation reserve	0	0	0
Revaluation surpluses	0	0	0
Disposals	0	0	0
Cost or valuation at 31 March 2012	7,839	3,055	4,784
Accumulated depreciation at 1 April 2011	0	0	0
Provided during the year	236	111	125
Impairments recognised in operating expenses	0	0	0
Reversal of impairments	0	0	0
Revaluation surpluses	0	0	0
Disposals	0	0	0
Accumulated depreciation at 31 March 2012	236	111	125
Net book value			
NBV - Purchased at 1 April 2011	6,881	2,097	4,784
NBV - Donated at 1 April 2011	958	958	0
NBV total at 1 April 2011	7,839	3,055	4,784
Net book value			
NBV - Purchased at 31 March 2012	6,682	2,023	4,659
NBV - Donated at 31 March 2012	921	921	0
NBV total at 31 March 2012	7,603	2,944	4,659

The Trust has two PFI Contracts that are accounted for in the Statement of Financial Position:-

(1) BHE Heartlands Limited is a contract to provide a new main entrance and retail facility at Heartlands Hospital. The net book value as at 31 March 2012 is £3,568k (31 March 2011 £3,644k)

(2) EnerG Combined Power Limited is a contract for the provision of energy management services at Heartlands Hospital. The net book value at 31 March 2012 is £1,091k (31 March 2011 £1,140k)

Note 18.4 provides more detail on these contracts

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NOTES TO THE ACCOUNTS

Note 10.2 Assets held under finance leases and PFI arrangements 2010/11

	Total Finance Lease and PFI Assets	Buildings excluding dwellings held under Finance Lease	PFI arrangements
	£000	£000	£000
Cost or valuation at 1 April 2010	7,605	2,986	4,619
Additions - donated	10	10	0
Impairments charged to revaluation reserve	0	0	0
Revaluation surpluses	224	59	165
Disposals	0	0	0
Cost or valuation at 31 March 2011	7,839	3,055	4,784
Accumulated depreciation at 1 April 2010	0	0	0
Provided during the year	354	94	260
Impairments recognised in operating expenses	0	0	0
Reversal of impairments	0	0	0
Revaluation surpluses	(354)	(94)	(260)
Disposals	0	0	0
Accumulated depreciation at 31 March 2011	0	0	0
Net book value			
NBV - Purchased at 1 April 2010	6,673	2,054	4,619
NBV - Donated at 1 April 2010	932	932	0
NBV total at 1 April 2010	7,605	2,986	4,619
Net book value			
NBV - Purchased at 31 March 2011	6,881	2,097	4,784
NBV - Donated at 31 March 2011	958	958	0
NBV total at 31 March 2011	7,839	3,055	4,784

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NOTES TO THE ACCOUNTS

Note 11.1 Inventories

	31 Mar 2012	31 Mar 2011
	£000	£000
Drugs	2,711	2,528
Work in progress	24	0
Consumables	4,873	5,013
Energy	266	169
Other	0	0
TOTAL	7,874	7,710

Note 11.2 Analysis of inventories

	31 Mar 2012	31 Mar 2011
	£000	£000
Balance at start of period	7,710	7,029
Add: Additions	105,372	99,298
Less: Inventories recognised in expenses	(105,014)	(98,839)
Less: Write-down of inventories recognised as an expense	(194)	222
Add: Reversal of any write down of inventories resulting in a reduction of recognised expenses	0	0
Balance at close of period	7,874	7,710

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NOTES TO THE ACCOUNTS

Note 12.1 Trade receivables and other receivables

	Total 31 Mar 2012 £000	Total 31 Mar 2011 £000
Current		
NHS Receivables -Revenue	14,325	9,466
NHS Receivables -Capital	0	100
Other receivables with related parties -Revenue	7,356	3,588
Other receivables with related parties -Capital	0	0
Provision for impaired receivables	(10,482)	(9,109)
Prepayments	4,286	4,962
Accrued income	387	2,235
Interest receivable	27	32
PDC receivable	0	477
VAT receivable	458	788
Other receivables	5,907	4,450
TOTAL	22,264	16,989
Non-Current		
NHS Receivables -Revenue	0	0
NHS Receivables -Capital	0	0
Other receivables with related parties -Revenue	2,680	2,451
Provision for impaired receivables	(1,187)	(956)
Prepayments	0	0
Accrued income	0	0
Other receivables	0	0
TOTAL	1,493	1,495

revaluation of land and buildings. In 2011/12 the amount of PDC paid in the year was correct so no debtor was required.

Note 12.2 Provision for impairment of receivables

	2011/12 £000	2010/11 £000
At 1 April	10,065	10,509
Increase in provision	2,365	1,243
Amounts utilised	(761)	(1,687)
Unused amounts reversed	0	0
At 31 March	11,669	10,065

Note 12.3 Analysis of impaired receivables

	31 March 2012 £000	31 March 2011 £000
Ageing of impaired receivables		
0-30 days	1,031	1,004
30-60 Days	324	700
60-90 days	663	1,100
90-180 days	701	1,620
Over 180 days	8,950	5,641
TOTAL	11,669	10,065
Ageing of non-impaired receivables past their due date		
0-30 days	1,021	2,001
30-60 Days	818	551
60-90 days	226	656
90-180 days	1,043	928
Over 180 days	4,726	3,236
TOTAL	7,834	7,372

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NOTES TO THE ACCOUNTS

Note 13 Trade and other payables

	Total 31 March 2012 £000	Total 31 March 2011 £000
Current		
NHS payables -Revenue	3,850	2,097
NHS payables -Capital	0	0
Amounts due to other related parties -Revenue	124	579
Amounts due to other related parties -Capital	0	0
Trade payables -Revenue	(2,256)	2,551
Trade payables -Capital	1,823	3,946
Social Security costs	91	3,485
Other taxes payable	13	4,035
Other payables	1,094	4,701
Accruals	43,324	36,416
PDC payable	0	0
TOTAL	<u>48,063</u>	<u>57,810</u>

There were no liabilities to buy out early retirements included above.

There are no non-current trade and other payables in 2011/12 (or in 2010/11).

Note 14 Other liabilities

	31 March 2012 £000	31 March 2011 £000
Current		
Deferred Income	15,372	8,000
Deferred PFI credits	0	0
TOTAL	<u>15,372</u>	<u>8,000</u>

There are no non-current other liabilities in 2011/12 (or 2010/11).

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Note 15 Borrowings

	31 March 2012	31 March 2011
	£000	£000
Current		
Bank overdrafts	0	0
Drawdown in committed facility	0	0
Loans from Foundation Trust Financing Facility	0	0
Other Loans	0	0
Obligations under finance leases	256	256
Obligations under Private Finance Initiative contracts	224	224
TOTAL	480	480
Non-current		
Bank overdrafts	0	0
Drawdown in committed facility	0	0
Loans from Foundation Trust Financing Facility	0	0
Other Loans	0	0
Obligations under finance leases	1,973	2,066
Obligations under Private Finance Initiative contracts	2,968	3,165
TOTAL	4,941	5,231

Note 16 Prudential borrowing limit

	31 March 2012	31 March 2011
	£000	£000
Total long term borrowing limit set by Monitor	117,500	94,600
Working capital facility agreed by Monitor	30,000	30,000
TOTAL	147,500	124,600
Long term borrowing at 1 April	5,711	6,001
Net actual borrowing/(repayment) in year - long term	(290)	(290)
Long term borrowing at 31 March	5,421	5,711
Working capital borrowing at 1 April	0	0
Net actual borrowing/(repayment) in year - working capital	0	0
Working capital borrowing at 31 March	0	0

The Trust is required to comply and remain within a prudential borrowing limit, as set out in Monitor's Prudential Borrowing Code. This limit is made up of two elements;

-The maximum cumulative amount of long-term borrowing. This is set by reference to the five ratio tests set out in the Prudential Borrowing Code. The financial risk rating, set out under Monitor's Compliance Framework (see page XX of the Annual Report), determines one of the ratios and therefore can impact on the long term borrowing limit; and

-The amount of working capital facility approved by Monitor.

Further information on the NHS Foundation Trust's Prudential Borrowing Code and Compliance Framework can be found on Monitor's website.

The Trust has a prudential borrowing limit of £117.5m in 2011/12 (£94.6m in 2010/11). The Trust borrowings of £5.4m (£5.7m in 2010/2011) are for the Trust's 2 PFI schemes and 3 finance leases only. The Trust has not raised any new borrowings in 2011/12.

Key ratios upon which the Prudential borrowing limit is based

Financial ratio	Actual ratios	Actual ratios
	2011/12	2010/11
Minimum dividend cover	4	4
Minimum interest cover	104	102
Minimum debt service cover	57	56
Maximum debt service to revenue	0	0

Monitor has approved a working capital facility level of £30m (£30m in 2010/11). The Trust has not held a working capital facility agreed with a bank since January 2009 because it holds sufficient surplus cash.

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NOTES TO THE ACCOUNTS

Note 17 Finance lease obligations

	Minimum Lease Payments	Minimum Lease Payments
	31 March 2012	31 March 2011
	£000	£000
Gross lease liabilities	3,319	3,562
of which liabilities are due		
not later than one year;	257	257
later than one year and not later than five years;	1,027	1,027
later than five years.	2,035	2,278
Finance charges allocated to future periods	(1,090)	(1,241)
Net lease liabilities	2,229	2,321
not later than one year;	109	99
later than one year and not later than five years;	535	494
later than five years.	1,585	1,728
	2,229	2,321
	Present Value of	Present Value of
	31 March 2012	31 March 2011
	£000	£000
Gross lease liabilities	2,159	2,274
of which liabilities are due		
not later than one year;	241	241
later than one year and not later than five years;	827	827
later than five years.	1,091	1,206
Finance charges allocated to future periods	(767)	(857)
Net lease liabilities	1,392	1,417
not later than one year;	104	96
later than one year and not later than five years;	450	419
later than five years.	838	902
	1,392	1,417

All of these finance lease obligations are for buildings.

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NOTES TO THE ACCOUNTS

Note 18.1 PFI obligations (on SoFP)

	31 Mar 2012	31 Mar 2011
	£000	£000
Gross PFI liabilities	4,694	5,061
of which liabilities are due		
not later than one year;	224	224
later than one year and not later than five years;	896	896
later than five years.	3,574	3,941
Finance charges allocated to future periods	(1,502)	(1,672)
Net PFI liabilities	3,192	3,389
not later than one year;	65	55
later than one year and not later than five years;	350	312
later than five years.	2,778	3,022
	<u>3,192</u>	<u>3,389</u>

18.2 On-SoFP PFI Commitments

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

	31 Mar 2012	31 Mar 2012	31 Mar 2012	31 Mar 2011
	Total	PFI 1	PFI 2	Total
	£000	£000	£000	£000
Within one year *	0	0	0	0
2nd to 5th years (inclusive) *	0	0	0	0
6th to 10th years (inclusive) *	0	0	0	0
11th to 15th years (inclusive) *	799	0	799	839
16th to 20th years (inclusive) *	55	55	0	0
21st to 25th years (inclusive) *	0	0	0	55
26th to 30th years (inclusive) *	0	0	0	0
31st to 35th years (inclusive) *	0	0	0	0
36th year and beyond **	0	0	0	0

18.3 On-SoFP PFI Service Charge Commitments

In accordance with SIC 29 (Service Concession Arrangements), the Trust is committed to make the following payments for the service charge element of on-SoFP service concessions:

	31 Mar 2012	31 Mar 2012	31 Mar 2012	31 Mar 2011
	Total	PFI 1	PFI 2	Total
	£000	£000	£000	£000
Within one year	854	55	799	894
2nd to 5th years (inclusive)	3,416	220	3,196	3,630
Later than five years	5,066	738	4,328	7,393
Total	9,336	1,013	8,323	11,917

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18.4 PFI Contract Details

The Trust has entered into two PFI contracts:

PFI 1 - Main Entrance and Retail Facility at Heartlands Hospital

This is 25 year contract with BHE Heartlands Limited which commenced in August 2005. This contract has been treated as being on-statement of financial position by the Trust following a review of the contracts based on Treasury Taskforce Technical Note 1 "How to account for PFI transactions" which interprets IAS 16 (Property, Plant and Equipment) and IFRIC 12 (Service Concession Arrangements).

The contract states that the service provision must be made available for users of the Heartlands Hospital including patients, visitors and staff. The contract contains a range of measures upon which deficiency points are allocated if pre-agreed levels are not achieved. The deficiency points are valued and deducted retrospectively from the Trust unitary payment at the end of the following quarter. At the end of the contract, ownership of the Main Entrance structure transfers to the Trust, at this point the Trust is not liable to provide any compensation payment and the contract is deemed to have reached its natural termination. The Trust is entitled to terminate the contract voluntarily with 12 months written notice and there are specific circumstances such as hospital closure or significant reconfiguration.

PFI 2 - Provision of Energy Management Services at Heartlands Hospital

This is 15 year contract with EnerG Combined Power Limited which commenced in August 2007. This contract has been treated as being on-statement of financial position by the Trust following a review of the contracts based on Treasury Taskforce Technical Note 1 (How to account for PFI transaction) which interprets IAS 16 (Property, Plant and Equipment) and IFRIC 12 (Service Concession Arrangements).

The contract is for the provision of combined heat and power facilities at the Heartlands Hospital. If either party terminates the contract before the end of the agreement, there is provision for either party to be liable to pay compensation as detailed within the contract. The assets are transferred at the end of the agreement and become assets of the Trust. The service provision is implicitly for the patients, visitors and staff of Heartlands Hospital.

The annual unitary payments of £55k (PFI1) and £839k (PFI2) made by the operator are included in the Statement of Comprehensive income on an accruals basis. There is a payment mechanism that allows for deductions to be made to the unitary payment where the quality standards set out in the contract are not met. The total charge made in 2011/12 was £854k (2010/11 £931k).

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NOTES TO THE ACCOUNTS

Note 19 Provisions for liabilities and charges

	Current 31 March 2012 £000	Current 31 March 2011 £000	Non-current 31 March 2012 £000	Non-current 31 March 2011 £000
Pensions relating to former directors	0	0	0	0
Pensions relating to other staff	174	200	2,473	3,041
Other legal claims	323	279	0	0
Agenda for Change	180	516	0	0
Other	5,756	7,585	0	0
TOTAL	6,433	8,580	2,473	3,041

	Total £000	Pensions - other staff £000	Other legal claims £000	Agenda for Change £000	Other £000
At 1 April 2011	11,621	3,241	279	597	7,504
Change in the discount rate	10	10	0	0	0
Arising during the year	5,815	108	404	0	5,303
Utilised during the year	(1,933)	(170)	(268)	0	(1,495)
Reversed unused	(6,612)	(547)	(92)	(417)	(5,556)
Unwinding of discount	5	5	0	0	0
At 31 March 2012	8,906	2,647	323	180	5,756

	Total £000	Pensions - other staff £000	Other legal claims £000	Agenda for Change £000	Other £000
Expected timing of cashflows:					
not later than one year;	6,433	174	323	180	5,756
later than one year and not later than five years;	747	747	0	0	0
later than five years.	1,726	1,726	0	0	0
TOTAL	8,906	2,647	323	180	5,756

The 'Pensions- other staff' provision is made up of permanent injury and early retirement provisions. The calculations for these provisions are based on agreed annual payments, age, gender and estimated life expectancy. The final amount of payment that will be made is not known as this will depend on actual life expectancy which may differ from the estimated number of years. The estimated life expectancy is provided from Interim Life Tables provided by the Office for National Statistics and updated every 2 years. To the extent that some of these liabilities will not be settled for several years the provision is discounted using a nominal discount rate of 2.8% (2010/11 2.9%).

'Other legal claims' relate to personal legal claims that have been lodged against the Trust with the NHS Litigation Authority (NHSLA) but not yet agreed. The exact timing or amount of any payment will only be known once the case is heard, although it is expected that all cases will be resolved within the 2012/13 year.

The 'Agenda for Change' provision estimates the amount that will be paid over to several staff groups for unresolved applications of Agenda for Change. The calculations have been based on assumptions of headcount, number of cases put forward, average pay and increments for the relevant staff groups and the period time it will apply for. Only when the payroll team do the calculations by individual will the exact amounts be known. It is expected that these issues will have been resolved within the next 12 months. This has significantly decreased in the year as claims have been settled.

Included under 'Other' provisions is a provision for restructuring of £3,301K. Also included in 'Other' is a new provision for environmental corrections required in some sections of the Trust, provision for legal claims costs for cases being bought by members of staff, and provision for costs being pursued by commercial organisations.

The claim held for Birmingham City Council was settled in 2011/12. Since then a dispute over central values has arisen so true provision at 31st March 2012 is to cover the difference between rent paid and rental value requested by the Council.

No reimbursement is anticipated from any of these provisions, other than in some 'Other legal claims' when the Trust receives reimbursement for any sums paid out which exceed the Trust's excess level with the NHSLA.

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Note 20 Revaluation reserve

	Revaluation Reserve -property, plant and equipment £000
Revaluation reserve at 1 April 2011	88,077
Impairments	0
Revaluations	0
Transfers to other reserves	0
Other recognised gains and losses	0
Other reserve movements	(2,737)
Revaluation reserve at 31 March 2012	85,340

Revaluation reserve at 1 April 2010	84,198
Impairments	(3,277)
Revaluations	9,001
Transfers to other reserves	0
Other recognised gains and losses	0
Other reserve movements	(1,845)
Revaluation reserve at 31 March 2011	88,077

All revaluation reserve movements relate to property plant and equipment.

The other reserve movements is the amortisation of the revaluation reserve over the life the asset it relates to and is transferred to the I&E reserve

In 2010/11 the Trust performed a revaluation exercise which resulted in an overall decrease in asset value of £3,634k. Of this impairments of £3,277k were charges to the revaluation reserve and an gain of £9001k increased the revaluation reserve.

Note 21.1 Cash and cash equivalents

	31 March 2012 £000	31 March 2011 £000
At 1 April	98,340	90,715
Net change in year	(1,175)	7,625
At 31 March	97,165	98,340
Broken down into:		
Cash at commercial banks and in hand	11	7
Cash with the Government Banking Service	97,154	98,333
Other current investments	0	0
Cash and cash equivalents as in SoFP	97,165	98,340
Bank overdraft	0	0
Cash and cash equivalents as in SoCF	97,165	98,340

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Note 21.2 Third party assets held by the NHS Foundation Trust

The Trust held £15k (£14k 31 March 2011) of cash at bank and in hand at 31/03/12 which relates to monies held by the Trust on behalf of patients. This has been excluded from cash at bank and in hand figure reported in the accounts.

Note 22.1 Contractual Capital Commitments

Commitments under contracts at the 'Statement of Financial Position' date were:

	31 March 2012	31 March 2011
	£000	£000
Property, Plant and Equipment	7,540	6,475
Intangible assets	576	0
TOTAL	8,116	6,475

The majority of these commitments at 31 March 2011 and 31 March 2012 relate to site strategy developments.

Note 23 Events after the reporting period

There have been no events after the reporting period.

Note 24 Contingent (Liabilities)

	31 March 2012	31 March 2011
	£000	£000
Gross value of contingent liabilities	(179)	(124)
Amounts recoverable against liabilities	0	0
Net value of contingent liabilities	(179)	(124)
Net value of contingent assets	0	0

The contingent liability in 2011/12 (and 2010/11) was identified by the NHS Litigation Authority. It relates to non-clinical Liabilities to Third Parties (LTPS) claims, which are public and employer liability legal claims.

These liabilities are expected to be settled within a year, and no reimbursement is expected.

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NOTES TO THE ACCOUNTS

Note 25.1 Related Party Transactions

During the year none of the Board members, governors, key staff members or parties related to them have undertaken any material transactions with the Trust.

Note 31 gives an analysis of the relationship with Heartlands Education Centre Limited (HECL). Adrian Stokes, Finance Director of the Trust is also a Director on the Board of HECL.

The Trust has entered into a significant number of material transactions with the following organisations for which there are no guarantees given or received:

	Income 31 March 2012 >£5m £000	Income 31 March 2011 >£5m £000	Expenditure 31 March 2012 >£5m £000	Expenditure 31 March 2011 >£5m £000
Birmingham East and North PCT	292,669	283,080	84	265
Heart of Birmingham Teaching PCT	29,413	27,934	205	109
HM Revenue & Customs	0	0	24,181	21,479
NHS Litigation Authority	0	0	12,722	10,510
NHS Pension Scheme	0	0	34,549	31,081
Solihull PCT	133,756	99,383	3,104	142
South Birmingham PCT	23,563	23,287	7	249
South Staffordshire PCT	40,146	41,271	1	171
Walsall Teaching PCT	6,931	7,133	10	0
Warwickshire PCT	9,767	9,701	0	173
West Midlands Strategic Health Authority	20,711	21,076	71	231
Health Protection Agency	922	888	6,597	6,188
TOTAL	557,878	513,753	81,531	70,598

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Note 25.2 Related Party Balances

The Trust has entered into a significant number of material transactions with the following organisations for which there are no guarantees given or received:

	Receivables 31 March 2012 >£0.5m £000	Receivables 31 March 2011 >£0.5m £000
Birmingham & Solihull Mental Health NHS FT	1,658	1,349
Birmingham City Council	3,840	2,885
Birmingham East and North PCT	4,214	1,878
DH Compensation Recovery Unit	4,662	4,226
HM Revenue & Customs	458	921
Solihull PCT	1,255	0
South Birmingham PCT	0	992
South Staffordshire PCT	518	314
University Hospital Birmingham NHS FT	574	1,102
Walsall Teaching PCT	515	291
Leicestershire County & Rutland PCT	176	32
Health Protection Agency	938	24
Solihull Metropolitan Borough Council	1,069	459
Burton Hospitals NHS Foundation Trust	638	8
West Midlands Strategic Health Authority	919	59
Department of Works & Pensions	4,662	0
TOTAL	26,096	14,540

	Payables 31 March 2012 >£0.5m £000	Payables 31 March 2011 >£0.5m £000
Birmingham City Council	129	1,091
Birmingham East and North PCT	6	770
Health Protection Agency	248	1,218
HM Revenue & Customs	0	7,520
NHS Pension Scheme	0	3,919
Sandwell & West Birmingham Hospitals NHS Trust	582	532
Solihull Care PCT	2,599	706
University Hospital Birmingham NHS FT	182	589
TOTAL	3,746	16,345

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Note 25.3 Key Management Personnel Compensation

Under IAS 24 (Related Party Disclosures) there are additional disclosure requirements in respect key management personnel compensation. Note 3.4 discloses directors' remuneration as required under the Companies Act 2006. This note discloses compensation as defined under IAS 24.

Key management includes directors, both executive and non-executive. It also includes the compensation to the acting Director of HR as well as Site Directors at Solihull and Good Hope hospitals. The compensation paid or payable in aggregate to key management for employment services is shown below:

	2011/12	2010/11
	£'000	£'000
Salaries and other short term benefits	1,617	1,499
Pension contributions	188	168
Other long term benefits	0	0
Termination benefits	0	141
Total	<u>1,805</u>	<u>1,808</u>

There were no amounts owing to Key Management Personnel at the beginning or end of the financial year.

Note 26.1 For PFI schemes deemed to be off-SoFP

PFI 3 - Provision of Energy Management Services at Solihull Hospital

The Trust holds a third PFI agreement with EnerG Combined Power Limited for the provision of energy services at Solihull Hospital. The scheme commenced in April 2010 and a unitary payment of £709k was paid in 2011/12. This is a 15 year agreement.

The Trust is accounting for as this scheme an off balance PFI contract using the NHS Finance, Performance and Operations Guidance on "Accounting for PFI under IFRS" and also has been classified as a non finance lease under IAS 17.

In accordance with SIC 29 (Service Concession Arrangements), the Trust is committed to make the following payments for the service charge element of off-SoFP service concessions:

	31 Mar 2012	31 Mar 2011
	Total	Total
	£000	£000
Within one year	709	701
2nd to 5th years (inclusive)	2,835	2,804
Later than five years	5,671	6,309
Total	<u>9,215</u>	<u>9,814</u>

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Note 27.1 Financial Risk Management

IFRS7 (Financial Instruments: Disclosures) requires disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities.

The Trust is not exposed to significant financial risk factors arising from financial instruments. The continuing service provider relationship that the Trust has with local Primary Care Trusts (PCT) and the way those PCTs are financed, means that the Trust is not exposed to the degree of financial risk faced by business entities. In the current financial environment where affordability by PCT's has re-emerged as a theme, the Trust regularly reviews the level of actual and contracted activity with the PCT's to ensure that any income at risk is discussed and resolved at a high level at the earliest opportunity available. Financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

The Trust is working with the PCTs and the contacts at the newly emerging clusters and consortia to ensure there is an ongoing dialogue in commissioning intentions.

Market Risk

Market risk is the possibility that financial loss might arise as a result of changes in such measures as interest rates and stock market movements. The Trust's transactions are undertaken in sterling and so it is not exposed to foreign exchange risk and the Trust does not have any direct dealings with the stock market. Other than cash balances, the Trust's financial assets and liabilities carry nil or fixed rates of interest and the Trust's income and operating cashflows are substantially independent of changes in market interest rates. When the Trust is placing cash on deposit, it reviews future expected changes in interest rates, and this may determine the period over which the deposit is placed. In the current financial climate it is unusual for cash to be deposited for longer than a year.

Credit Risk

Credit risk is the possibility that other parties might fail to pay amounts due to the Trust. Credit risk arises from deposits with banks and financial institutions as well as credit exposures to the Trust's commissioners and other debtors. Given the current economic climate surplus operating cash is only invested with banks and financial institutions that are rated independently with a minimum long term rating of A1+ (Standard and Poor's). The Trust's Treasury Management Committee, chaired by a non-executive director, has met 4 times in the year and assesses available market intelligence in deciding where to place surplus cash funds. The Trust's net operating costs are incurred largely under annual service agreements with local PCTs, which are financed from resources voted annually by Parliament.

A regular review of large, old or problematic debt is performed and any issues escalated up to director level.

Liquidity risk

Liquidity risk is the possibility that the Trust might not have funds available to meet its commitments to make payments. Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding from an adequate amount of committed credit facilities. The Trust is required to comply with Monitor's Prudential Borrowing Limit, and further details of the Trust's compliance can be found at note 16 'Prudential Borrowing Code'. The Trust also seeks to minimise risk relating to prepayments made to suppliers, by keeping them to a minimum. Material prepayments are only made under contractual arrangements for periods not exceeding 12 months.

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Note 27.2 Financial assets by category

	Total	Loans and receivables	Assets at fair value through the I&E	Available-for-sale	Held to maturity
	£000	£000	£000	£000	£000
Assets as per SoFP					
NHS Trade and other receivables excluding non financial assets	14,322	14,322	0	0	0
Non -NHS Trade and other receivables excluding non financial assets	3,955	3,955	0	0	0
Other Investments	0	0	0	0	0
Other Financial Assets	0	0	0	0	0
Non current assets held for sale and assets held in disposal group excluding non financial assets	0			0	
Cash and cash equivalents (at bank and in hand)	97,165	97,165			
Total at 31 March 2012	115,442	115,442	0	0	0
Assets as per SoFP					
NHS Trade and other receivables excluding non financial assets	6,250	6,250	0	0	0
Non -NHS Trade and other receivables excluding non financial assets	3,348	3,348	0	0	0
Other Investments	0	0	0	0	0
Other Financial Assets	0	0	0	0	0
Non current assets held for sale and assets held in disposal group excluding non financial assets	0			0	
Cash and cash equivalents (at bank and in hand)	98,340	98,340			
Total at 31 March 2011	107,938	107,938	0	0	0

The Financial Assets included above do not include Prepayments, PDC Receivable, amounts owing in respect of VAT from HMRC or amounts owing from the NHS Injury scheme. These are all included in Note 12.1 Trade receivables and other receivables.

Note 27.3 Financial liabilities by category

	Total	Other financial liabilities	Liabilities at fair value through the I&E
	£000	£000	£000
Liabilities as per SoFP			
Borrowings excluding Finance lease and PFI liabilities	0	0	
Obligations under finance leases	2,229	2,229	0
Obligations under Private Finance Initiative contracts	3,192	3,192	0
NHS Trade and other payables excluding non financial assets	3,850	3,850	0
Non NHS Trade and other payables excluding non financial asse	44,213	44,213	0
Other financial liabilities	0	0	0
Provisions under contract	6,259	6,259	0
Liabilities in disposal groups excluding non-financial assets	0	0	
Total at 31 March 2012	59,743	59,743	0
Liabilities as per SoFP			
Borrowings excluding Finance lease and PFI liabilities	0	0	
Obligations under finance leases	2,321	2,321	0
Obligations under Private Finance Initiative contracts	3,389	3,389	0
NHS Trade and other payables excluding non financial assets	2,097	2,097	0
Non NHS Trade and other payables excluding non financial asse	50,316	50,316	0
Other financial liabilities	0	0	0
Provisions under contract	8,380	8,380	0
Liabilities in disposal groups excluding non-financial assets	0	0	
Total at 31 March 2011	66,503	66,503	0

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NOTES TO THE ACCOUNTS

Note 27.4 Fair values of financial assets

There is no difference between the book value and fair value of the financial assets at 31 March 2012.

Note 27.5 Fair values of financial liabilities

There is no difference between the book value and fair value of the financial liabilities at 31 March 2012.

Note 27.6 Foreign Currency Risk

The Trust has no foreign currency income and negligible foreign currency expenditure.

Note 28 Other Financial Assets

	31 March 2012	31 March 2011
	£000	£000
Derivatives and Embedded Derivatives held at 'fair value through Income and Expenditure'	0	0
Held to maturity investments	0	0
Loan and receivables	0	0
TOTAL	0	0

Note 29 Other Financial Liabilities

There were no 'Other Financial Liabilities' during 2011/12 (or 2010/11) such as derivatives and embedded derivatives held at fair value through income and expenditure.

Note 30 Losses and Special Payments

There were 222 cases of losses and special payments totalling £538k approved during 2011/12 (283 in 2010/11, costing £604k).

Legal claims totalling £228k (£187k, 2010/11) are included within these figures, but they are classified under 'Legal fees' rather than 'Losses, ex gratia and special payments' in Note 3.1 Operating Expenses.

In 2011/12 there were no individual cases where the net payment exceeded £100,000.

These losses are reported on an accruals basis excluding provision for future losses.

NOTES TO THE ACCOUNTS**Note 31 Subsidiary relationships****31.1 Heartlands Education Centre Limited (HECL)**

In applying the principles of IAS 27 (Consolidated and Separate Financial Statements) the Trust has a subsidiary relationship with Heartlands Education Centre Limited (HECL). The net assets of HECL are not deemed material to the Trust's position, and therefore are not consolidated into group accounts and group accounts are not prepared. The following table sets out the net assets of the HECL in relation to the Trust's surplus and the HECL's net profit results.

	2011/12	2010/11
	£000	£000
HECL net assets	(55)	(84)
HEFT net assets	348,617	339,692
%	<u>-0.02%</u>	<u>-0.02%</u>
HECL net profit	29	44
HEFT net profit	6,675	(2,935)
%	<u>0.43%</u>	<u>-1.52%</u>

The company was incorporated in the United Kingdom on 25 October 1994 as a company limited by guarantee and does not therefore have any share capital. As such the Trust does not hold a financial investment in HECL.

Adrian Stokes (Finance Director for the Trust) also sits on the Board of Directors with HECL.

31.2 Charitable Funds

The Trust is the Corporate Trustee for the Heart of England NHS Foundation Trust General Charitable Fund (The Charity), registered charity number 1052330.

In applying the principles of IAS 27 (Consolidated and Separate Financial Statements) the charity would need to be consolidated. However the Annual Reporting Manual and the HM Treasury guidance has granted a dispensation for all NHS Foundation Trusts to not apply the IAS 27 until the 2013/14 financial year. Details of the charity can be obtained through the Trust's company secretary.

32 Prior period Adjustment

In the 2011/12 Annual Reporting Manual directed that Foundation Trusts should treat donated assets in the same way as government grants, applying IAS 20. This new approach represented a change in accounting policy which has been applied retrospectively through prior period adjustment, in accordance with IAS 8. This has meant that the donated asset reserve as at 1st April 2010 of £3,202k was analysed between amounts representing the remaining historic cost of the original donated assets of £3,514k and the amounts representing the cumulative net revaluation losses on donated assets recognized in the donated asset reserve of £312k. The net revaluation losses and the remaining historic cost have been transferred to the income and expenditure reserve.

Another adjustment was made for a government granted asset where a deferred income balance of £1,731k was held and being released over the life of the asset. The new standards only allow this balance to be deferred if there are conditions attached to the use of that asset. In the Trust's case there are not conditions attached to these assets and so the balance was released to the I&E reserve,

HEART OF ENGLAND NHS FOUNDATION TRUST- ANNUAL ACCOUNTS 31 MARCH 2012

NOTES TO THE ACCOUNTS

Note 33 Transforming Community Services (TCS)

As at 1 April 2011 the Trust acquired community services contracts for the sexual health services that had been part of Heart of Birmingham PCT and the majority of the community services that had been provided by Solihul Care Trust in line with the national transforming community services agenda. On transfer there were minimal statement of financial position balances brought into the Trust, with the exception of stock where a cash transaction took place.

In line with guidance issued by Monitor and the Department of Health the 2010/11 Statement of Comprehensive Income has not been restated and the statement of financial position for 31 March 2011 have not been restated to include TCS balances.

There is approximately £36 million of additional income included in the Trust's income that relates to community services contract, and a similar amount for costs.

DRAFT WORDING

Independent Auditors' Report to the Board of Governors of Heart of England NHS Foundation Trust

We have audited the financial statements of Heart of England NHS Foundation Trust for the year ended 31 March 2012 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and the related notes. The financial reporting framework that has been applied in their preparation is the NHS Foundation Trust Annual Reporting Manual 2011/12 issued by the Independent Regulator of NHS Foundation Trusts ("Monitor").

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page x the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view in accordance with the NHS Foundation Trust Annual Reporting Manual 2011/12. Our responsibility is to audit and express an opinion on the financial statements in accordance with the NHS Act 2006, the Audit Code for NHS Foundation Trusts issued by Monitor and International Standards on Auditing (ISAs) (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the NHS Foundation Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the NHS Foundation Trust; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report and Accounts to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view, in accordance with the NHS Foundation Trust Annual Reporting Manual 2011/12, of the state of the NHS Foundation Trust's affairs as at 31 March 2012 and of its income and expenditure and cash flows for the year then ended to 31 March 2012]; and
- have been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2011/12.

Opinion on other matters prescribed by the Audit Code for NHS Foundation Trusts

In our opinion

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2011/12; and

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Audit Code for NHS Foundation Trusts requires us to report to you if:

- in our opinion the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2011/12 or is misleading or inconsistent with information of which we are aware from our audit. We are not required to consider, nor have we considered, whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls;
- we have not been able to satisfy ourselves that the NHS Foundation Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources; or
- we have qualified our report on any aspects of the Quality Report.

Certificate

We certify that we have completed the audit of the financial statements in accordance with the requirements of Chapter 5 of Part 2 to the National Health Service Act 2006 and the Audit Code for NHS Foundation Trusts issued by Monitor.

Richard Bacon

For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham

[Date]

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

DRAFT WORDING

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF GOVERNORS OF XYZ NHS FOUNDATION TRUST ON THE NHS FOUNDATION TRUST CONSOLIDATION SCHEDULES

We have examined the NHS foundation trust consolidation schedules (FTCs) numbered ## to ## of Heart of England NHS Foundation Trust for the year ended 31 March 2012, which have been prepared by the Director of Finance and acknowledged by the Chief Executive.

This report is made solely to the Board of Governors of Heart of England NHS Foundation Trust in accordance with paragraph 24(5) of Schedule 7 of the National Health Service Act 2006 (the Act) and for no other purpose.

In our opinion these consolidation schedules are consistent with the statutory financial statements on which we have issued an unmodified opinion.

PricewaterhouseCoopers LLP
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

[Date]

DRAFT WORDING

Independent Auditor's Limited Assurance Report to the Board of Governors of Heart of England NHS Foundation Trust on the Annual Quality Report

We have been engaged by the Board of Governors of Heart of England NHS Foundation Trust to perform an independent assurance engagement in respect of Heart of England NHS Foundation Trust's Quality Report (the 'Quality Report') and specified performance indicators contained therein.

Scope and subject matter

The indicators in the Quality Report that have been subject to limited assurance procedures consist of the national priority indicators as mandated by Monitor:

- 62 day urgent GP referral to treatment for cancer on page 62; and
- C.Difficile on page 62.

We refer to these national priority indicators collectively as the "specified indicators".

Respective responsibilities of the Directors and auditors

The Directors are responsible for the content and the preparation of the Quality Report in accordance with the assessment criteria referred to on page [TO BE DONE NOT IN CURRENT DRAFT] of the Quality Report (the "Criteria"). The Directors are also responsible for their assertion and the conformity of their Criteria with the assessment criteria set out in the NHS Foundation Trust Annual Reporting Manual ("FT ARM") issued by the Independent Regulator of NHS Foundation Trusts ("Monitor"). In particular, the Directors are responsible for the declarations they have made in their Statement of Directors' Responsibilities.

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:

- The Quality Report does not incorporate the matters required to be reported on as specified in Annex 2 to Chapter 7 of the FT ARM;
- The Quality Report is materially inconsistent with the sources specified below; and
- the specified indicators have not been prepared in all material respects in accordance with the Criteria.

We read the Quality Report and consider whether it addresses the content requirements of the FT ARM, and consider the implications for our report if we become aware of any material omissions.

We read the other information contained in the Quality Report and consider whether it is materially inconsistent with:

- Board minutes for the period April 2011 to June 2012;
- Papers relating to Quality reported to the Board over the period April 2011 to June 2012;
- Feedback from NHS Birmingham East and North dated 23/5/2012;
- The trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 16/05/2012;
- The latest national outpatients survey dated February 2012;
- The latest national inpatients survey dated April 2012;
- The latest national staff survey for 2011/12;

- Care Quality Commission quality and risk profiles dated 2/4/2012; and
 - The Head of Internal Audit's annual opinion over the trust's control environment dated 14/5/2012.

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with those documents (collectively, the "documents"). Our responsibilities do not extend to any other information.

We comply with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics. Our team comprised assurance practitioners and relevant subject matter experts.

This report, including the conclusion, has been prepared solely for the Board of Governors of Heart of England NHS Foundation Trust as a body, to assist the Board of Governors in reporting Heart of England NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2012, to enable the Board of Governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicators. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Governors as a body and Heart of England NHS Foundation Trust for our work or this report save where terms are expressly agreed and with our prior consent in writing.

Assurance work performed

We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('ISAE 3000'). Our limited assurance procedures included:

- Evaluating the design and implementation of the key processes and controls for managing and reporting the indicators
- Making enquiries of management
- Limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation.
- Comparing the content requirements of the FT ARM to the categories reported in the Quality Report.
- Reading the documents.

A limited assurance engagement is less in scope than a reasonable assurance engagement. The nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

Limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different

measurements and can impact comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time. It is important to read the Quality Report in the context of the assessment criteria set out in the FT ARM and the Directors' interpretation of the Criteria in **[TO BE INSERTED]** of the Quality Report.

The nature, form and content required of Quality Reports are determined by Monitor. This may result in the omission of information relevant to other users, for example for the purpose of comparing the results of different NHS Foundation Trusts

In addition, the scope of our assurance work has not included governance over quality or non-mandated indicators in the Quality Report, which have been determined locally by Heart of England NHS Foundation Trust.

Conclusion

Based on the results of our procedures, nothing has come to our attention that causes us to believe that:

- The Quality Report does not incorporate the matters required to be reported on as specified in annex 2 to Chapter 7 of the FT ARM;
- The Quality Report is materially inconsistent with the sources listed:
 - Board minutes for the period April 2011 to June 2012;
 - Papers relating to Quality reported to the Board over the period April 2011 to June 2012;
 - Feedback from NHS Birmingham East and North dated 23/5/2012;
 - The trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 16/05/2012;
 - The latest national outpatients survey dated February 2012;
 - The latest national inpatients survey dated April 2012;
 - The latest national staff survey for 2011/12;
 - Care Quality Commission quality and risk profiles dated 2/4/2012;
 - The Head of Internal Audit's annual opinion over the trust's control environment dated 14/5/2012; and
- the specified indicators have not been prepared in all material respects in accordance with the Criteria.

PricewaterhouseCoopers LLP

Chartered Accountants

Birmingham

[Date]

The maintenance and integrity of the Heart of England NHS Foundation Trust's website is the responsibility of the directors; the work carried out by the assurance providers does not involve consideration of these matters and,

accordingly, the assurance providers accept no responsibility for any changes that may have occurred to the reported performance indicators or criteria since they were initially presented on the website.



Heart of England NHS Foundation Trust

Quality Account & Report 2011/12



Heart of England NHS Foundation Trust

www.heartofengland.nhs.uk

Telephone: 0121 424 2000

Introduction

The purpose of this Quality Account is to provide patients, staff, members of the local communities and commissioners, with a report on the quality of services that the Trust provides. It provides an update on activities in the Heart of England NHS Foundation Trust (hereafter referred to as the Trust) and Solihull Community Services (SCS) over the last 12 months.

The Quality Account represents one aspect of the continued drive to improve the quality and safety of the services which are provided.

In **Part 1** of the Account, there is a statement of the quality of services from Chief Executive, Dr Mark Newbold. In this section, an update is provided on the priorities that were set by the Trust for 2011/12 and details of the priorities set for the coming year. It also explains how these priorities have been developed with stakeholders and what this will mean for the quality of services that patients receive.

In **Part 2** there are a number of 'Statements of Assurance' regarding specific aspects of service provision. The Trust is required to provide these statements to meet the requirements of the Department of Health and Monitor (the regulator for NHS Foundation Trusts). As all providers are required to provide these statements it allows comparison between different organisations.

Part 3 contains further information which provides a picture of some of the other initiatives that have been implemented in the Trust to improve quality.

The final sections of this document (**Part 4 and 5**) gives details of the consultation exercises that have been completed in order to prepare the content of this document as well as some commentaries which express the views of some of the Trust's key stakeholders.

Thank you for taking the time to read the Heart of England NHS Foundation Trust Quality Account 2011/2012. If you would like to comment on any aspect of this document, we would welcome your feedback and details are provided at the end of the document.

PART 1: CHIEF EXECUTIVE'S STATEMENT

"I am delighted to present our 2011/12 Quality Account, my second since joining the Trust. We have again taken the opportunity to highlight many of the activities which have taken place over the past 12 months. I believe that this report accurately represents the work we have delivered to-date. As always we have sought the views of patients, external stakeholders and staff to ensure this accurately represents a comprehensive picture of the work being carried out across the organisation. I am very grateful for their input and we have included their thoughts and feedback in this report.

Over the year we have put safety and quality at the heart of everything we do. 'Safe and Caring' remains our key priority and this Quality Account provides an update on the many activities and initiatives that we have been implementing across the Trust to support this journey. Over the year our clinical teams have developed strategies to inform the way our services will develop going forward. We have many exciting plans which will see us working in partnership with our healthcare colleagues across the region as we make improvements to patient pathways. To support this we are working to change the financial arrangements so that our incentives to provide good clinical care and achieve a sound financial position are aligned. This will mean that everyone is focused on keeping patients well, ensuring that when they need healthcare they are treated in the most appropriate place. This is a significant change for us, and one that will encourage everyone in the wider healthcare system to focus on how we can make changes to improve patient safety, patient outcomes and service quality.

Work to design services which improve health and wellbeing for the communities has begun at Solihull. We have developed a partnership board where representatives from all healthcare organisations come together to create a truly integrated health economy in which keeping people well is driven with as much energy as treating people when they are sick. Looking forward we want to develop this further with some key appointments including a public health specialist within the Trust.

Our ability to continue to deliver safe, quality services will always rest on the co-operation and commitment of our staff, partners and the public and I would like to say a huge 'thank you' to all those who are working with us on this important agenda. Our aim is to continue to improve and deliver local services in which people have confidence, trust and pride."



A handwritten signature in black ink, appearing to read 'Mark Newbold'.

Dr Mark Newbold, Chief Executive

PART 2: PRIORITIES FOR IMPROVEMENT

As part of the Quality Account process, the Trust is required to set priorities for improvement. These are issues which are considered to be important to patients, local communities and stakeholders.

In the last Quality Account, the Trust, with the help of a wide range of stakeholders, identified four key priorities for improvement during 2011/12:

- **Stroke Management** – to ensure patients, who are diagnosed with a stroke, receive timely treatment in an appropriate care setting and that the Trust improves clinical outcomes for patients with a stroke;
- **Patient Experience** – improving the response to patients' needs;
- **Venous Thromboembolism (VTE)** – to improve clinical outcomes for patients receiving VTE prophylaxis and those with identified VTE;
- **Mandatory Training** – ensure staff have core and mandatory training as required.

Solihull Community Services, also with the help of stakeholders, identified three key priorities for improvement in 2011/12:

- **Incident Reporting** – to improve the timeliness of current reporting of serious untoward incidents (SUIs) according to set local and national targets.
- **Quality of Life Measures** - This priority is linked to a Commissioning for Quality and Innovation (CQUIN) agreed with the lead Commissioner for 2011/12. SCS has continued to collect and review valuable patient satisfaction feedback across all Community Health Services. This has given insight into the experience patients had after receiving care and has supported towards making the necessary changes within services. Solihull Community Services will now focus on developing other patient experience tools to review the impact and improvements care they delivered has had on patients lives.
- **Public Health Training** - This priority is linked to the CQUIN agreed with the lead Commissioner for 2011/12. The public health service aims to prevent health issues before occurrence, improving the population's quality of life. Solihull Community Services is committed to ensuring that public health training is received by front line staff, in relevant services, to provide them with the knowledge they need when delivering care.

This next section provides an update on these priorities and the ongoing commitment to future progress.

ACUTE PRIORITY 1: STROKE MANAGEMENT

What was the overarching aim:

To ensure that patients who are diagnosed with a stroke receive timely treatment in an appropriate care setting and that the Trust improves clinical outcomes for patients with a stroke.

Why we chose this priority:

There is extensive evidence that patients who have suffered a stroke experience better outcomes if they have access to specialist stroke care on a dedicated stroke unit with the necessary investigations and interventions.

Almost 1,500 people who suffer a stroke are cared for by the Trust each year, which makes up more than half of all strokes that occur in Birmingham. To ensure that the Trust provides the best possible care, the development of stroke services is a strategic priority for the Trust.

The National Stroke Strategy (Department of Health guidance) outlined a set of standards by which services can be measured to demonstrate the quality of the care they provide. These include the number of stroke sufferers who are admitted onto a dedicated stroke unit within 4 hours of arriving at hospital; the number of patients receiving CT scans of their head when they needed it (ascertained by clinical judgement) and the number of stroke sufferers who spend the majority of their stay in hospital on a stroke unit. In addition, when patients are discharged from hospital, if they can be discharged home, they should be supported with the right access to therapy for their ongoing rehabilitation through an Early Supported Discharge service.

**What action was taken:**

- Worked closely with A&E and acute medical assessment areas to ensure patients are admitted directly to a stroke unit within 4 hours of arriving at hospital, at all times of the day. As a result 250 more people who suffered a stroke were admitted directly to a stroke ward in the first half of 2011 compared to 2010.
- Continued to improve the number of patients with a stroke who spend at least 90% of their time in a hospital stroke unit. As a result, 270 more patients spent the majority of their time on a stroke unit to be cared for by the specialist multidisciplinary stroke team compared to the same period last year. This is 84% of patients compared with 61% in the previous year.
- Improved access to CT scans for patients who are suspected to have had a stroke.

- Continued to deliver clot-busting thrombolysis treatment that has both saved lives and meant patients who have a stroke are able to do far more than they would have if they had not had the treatment.
- Improved communication and awareness with other areas of the hospital so that if any patient already in hospital were to suffer a stroke, they would be transferred to the stroke unit immediately.
- Worked closely with social services and other stroke services in the community to develop an early support discharge service.
- Participated in the Stroke Improvement National Audit Programme (SINAP) which will help us evaluate our service in more detail to make further improvements.
- Participation in an international Dr Foster project which compares stroke services in different countries. This allows a greater focus on data to highlight where service improvements can occur to achieve improved clinical outcomes for patients. An example of this is a pilot to reduce the number of Hospital Acquired Pneumonias through the introduction of improved positioning and mouth care techniques.
- In January 2012 the Trust launched an Early Supported Discharge service which is a step wise improvement on an already established stroke outreach programme. This has enabled a greater number of people across all 3 hospitals who have suffered a stroke to receive the therapy in their own homes rather than in a hospital bed.
- From January 2012 people who have suffered a minor stroke and are at a high risk of having another stroke can be assessed and treated within 24 hours 7 days a week to prevent them having to be admitted to hospital.

There have been significant improvements in the accuracy and quality of data for the stroke pathway which has allowed the team to understand more clearly where and how it can further improve the stroke service.

There have been significant improvements in direct admissions to stroke units within 4 hours, the number of stroke patients spending 90% of their time on a stroke unit and the time it takes to access the right head scans that are required.

Figure 1 below shows the improvements in the 90% stay target and the number of people being admitted to a stroke unit within 4 hours of arrival to hospital. Whilst there is still more work to be done, the results have been encouraging and will hopefully continue to improve as more work is dedicated to the stroke pathway.

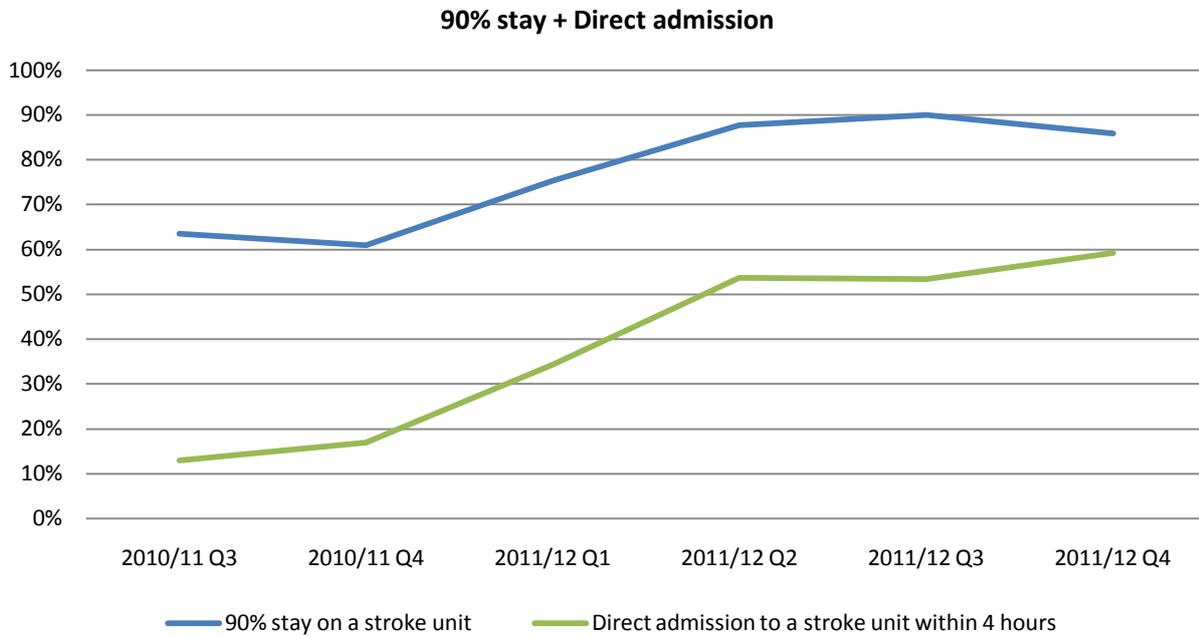
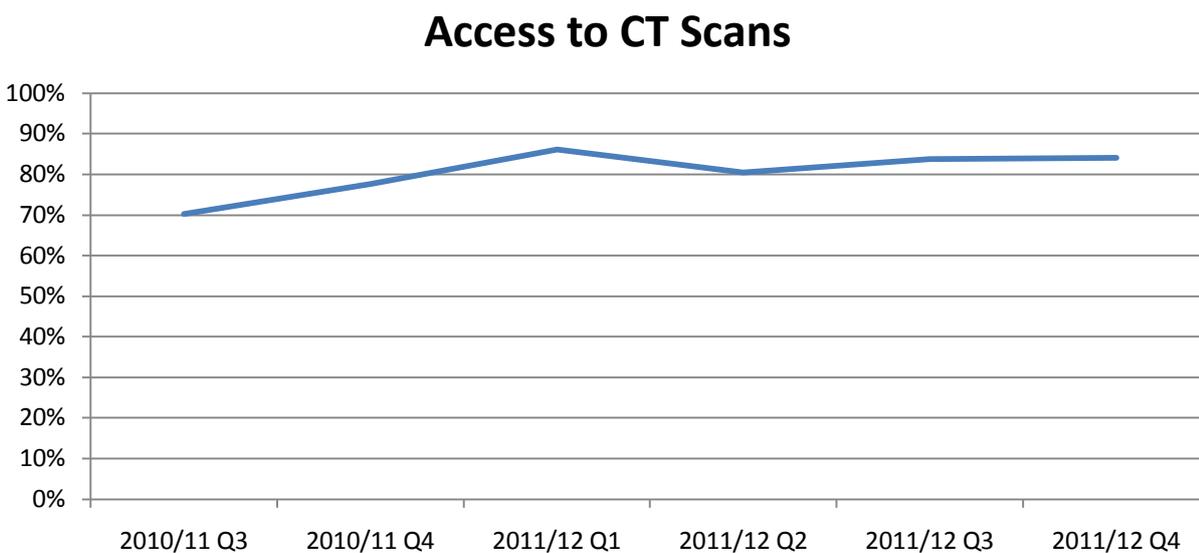


Figure 2 below shows the % of stroke patients who received a scan of their head within 24 hours. Again a significant improvement has been made.



The ongoing commitment:

- To continue to improve the quality and safety of care to stroke sufferers by meeting and exceeding the national and local targets.
- To work towards providing a ward round by a specialist stroke physician 7 days of the week instead of the current 5 days of the week.
- To further develop the stroke early supported discharge service from each of the Trust's hospitals with access to right level of support and rehabilitation in the patient's own home.
- Continued involvement in the international Dr Foster project and national audit programmes to better understand where further quality improvements can occur in stroke care.
- The members of the stroke team remain committed to improving the service to ensure patients receive the excellent care they deserve while in hospital.
- To continue to provide highly specialist care on a dedicated stroke unit throughout their stay in hospital.
- The Trust has engaged in a review of the hyper-acute part of the stroke pathway (the time from when someone has a stroke up to around 72 hours or when they are clinically stable), with the aim of providing even better care in the first 72 hours of a person suffering a stroke.
- The Stroke Service continues to participate in the national audit that collects and analyses information about stroke patients to highlight areas of the service where improvement can be made.

ACUTE PRIORITY 2: PATIENT EXPERIENCE

What was the overarching aim:

The overall aim of the patient experience programme was to provide a timely process for capturing a representative sample of patients' views that reflected the national survey and, also, target areas where the Trust knew improvements could be made. By making information available through the Trust internal Intranet on a real-time basis and providing a summary report, the data is designed to connect with front-line staff and support the development of programmes specifically aimed at improving patient experience.

Over the last 12 months the patient experience results have been complemented by a series of workshops involving patients and videos of patient stories. These are designed to change behaviour of staff and ensure, moving forward, that the Trust learns from complaints and enhances the experience that is offered to patients.

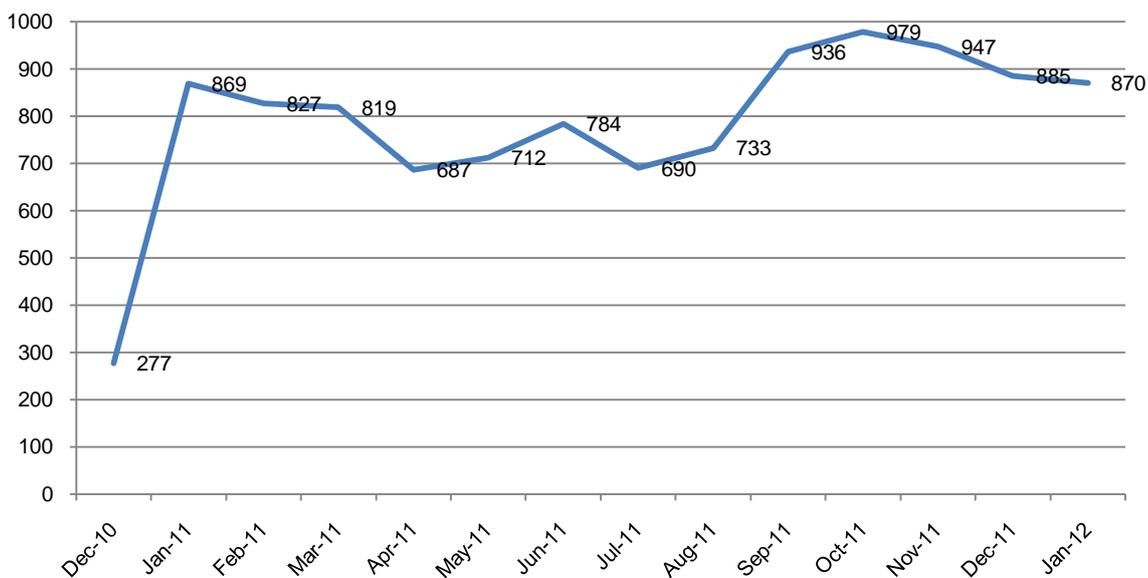
What action was taken:

Back to the Floor Patient Surveys:

Monthly patient surveys continue across all inpatient areas. With more specialist areas using this way of capturing data, including Radiology, A&E, Phlebotomy and Therapies, the overall number surveyed each month when compared to January 2011 has increased slightly.

Staff have also been identified who carry out this role as their sole responsibility; asking a minimum of 15 – 20 patients 12 questions based on the Care Quality Commission’s Inpatient Survey. It is also undertaken locally by staff in the more specialist departments. The patient experience data is being triangulated with the nursing metrics and complaints to highlight areas where additional focus is required.

Figure 1: No of Patients surveyed (back to the Floor) by month



Complaints:

The Trust received over 1,000 complaints in 2010 / 11 and has since reviewed the process for managing complaints to achieve a faster local resolution to any issues or concerns raised. The new ‘Patient Services’ function has replaced the previous complaints and Patient Advice & Liaison Service (PALS). Patients and carers are now signposted to a range of options they can access to resolve their concerns. This includes offering complainants a rapid escalation pathway to meet with medical consultants and other health professionals or even receive home visits if more convenient to discuss any concerns or issues and gain answers quickly.

A new call logging system allows staff to view call volumes, call waits and response times. Call recording also assists in forwarding on details of conversations with complainants directly to departmental managers.

Since October 2011, the following areas have made changes to their services based on patient feedback:

October 2011	November 2011	December 2011
Ward 21 (BHH) Ward 24 (GHH)	Gynaecology (BHH)	Emergency Assessment Unit (GHH) Outpatients (SH) Cardiac Rehabilitation (BHH and SH)

Community Engagement:

Individual approaches to engaging local communities have been agreed with the Trust’s executive leads of Solihull, Good Hope and Birmingham Heartlands Hospitals. These are complemented with a series of community visits involving the Chief Executive and senior medics; taking feedback, concerns and suggestions as well as answering any questions.

The Trust’s public engagement team has targeted organisations which represent patients with different abilities to work with them so that their views can help shape services. Work is also ongoing with the Dyslexia Association (Birmingham) to minimise the challenges people with dyslexia have when visiting any of the Trust’s three hospital sites. Most recently, drop in sessions run by Carers UK have been established at Good Hope Hospital to assist carers with support, advice and guidance in being a carer.

Internet:

As patient and carers increasingly turn to online media, the Trust is regularly issuing new blogs via Twitter, publicising and working with sites such as Patient Opinion and NHS Choice to receive feedback. This can be either positive or negative. Ensuring timely responses to all feedback and encouraging service users to post compliments on these sites ensures regular dialogue with users of Trust services.

Patient Stories:

A suite of stories have been committed to DVD showing patients talking about their experiences as users of the Trust services. These are shown to all levels of staff in the organisation to show them the affects that certain behaviours, both positive and negative, have on patients.

The current status:

Progress continues to be monitored, measured and reported through monthly patient experience reports which are triangulated with the nursing metrics results and complaints.

These results are reviewed by the Executive Board each month and, every two months, presented to Governance & Risk and Trust Board. The data is also available 'real time' through the Trust's Intranet and frequently reviewed by ward managers as part of their day-to-day ward management. The aggregated patient experience scores are also monitored by the Chief Nurse and the site Head Nurses as part of the Trust's Nursing and Midwifery Board.

The ongoing commitment:

The next stage is to continue to build on the detail of the patient experience data collected whilst seeking new and innovative ways to capture feedback and drive through improvements. This includes:

- Asking patients to name staff who have delivered exceptional care;
- Achieving further triangulation with the nursing metrics and measured action plans to pick up improvement areas;
- Continue gathering data on patient and relative experiences of community services and integrated health and social care packages.

ACUTE PRIORITY 3: VENOUS THROMBOEMBOLISM (VTE)

An estimated 25,000 people in the UK die from preventable hospital-acquired venous thromboembolism (VTE) every year.

VTE is a condition in which a blood clot (a thrombus) forms in a vein. It most commonly occurs in the deep veins of the legs; this is called deep vein thrombosis. The thrombus may dislodge from its site of origin to travel in the blood – a phenomenon called embolism.

Venous thrombosis often does not have symptoms; less frequently it causes pain and swelling in the leg. Part or all of the thrombus can come free and travel to the lung as a potentially fatal pulmonary embolism. Symptomatic venous thrombosis carries a considerable burden of morbidity, sometimes over a longer term because of chronic venous insufficiency (when your leg veins cannot pump enough blood back to your heart).

The risk of developing VTE depends on the condition and/or procedure for which the patient is admitted and on any predisposing risk factors (such as age, obesity and concomitant conditions).

What was the overarching aim:

To improve our clinical outcomes for patients receiving VTE prophylaxis and those with identified VTE.

What action was taken:

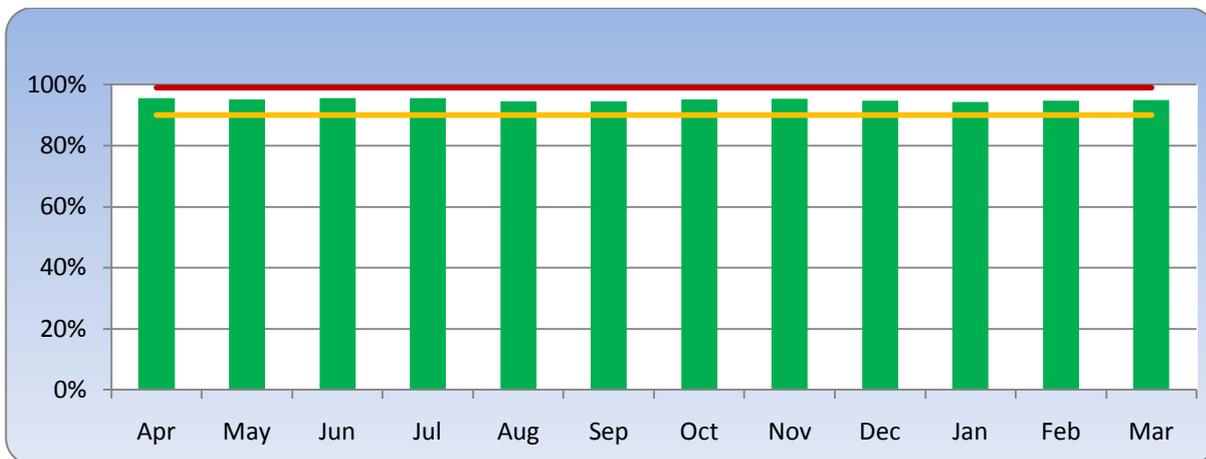
The Trust has continued to make improvements in its delivery of VTE risk assessments and delivery of preventative measures (thrombo-prophylaxis) to reduce the risk of developing a VTE during hospital stays and following surgery. The Trust has also introduced new initiatives in the treatment of those patients with an identified VTE.

There is a national Commissioning for Quality and Innovation (CQUIN) target for Trusts to complete VTE risks assessments on 90% of admitted patients. The Trust has developed an automated system for VTE risk assessments which shows that > 95% risk assessments are performed within 24 hours of admission.

VTE risk assessment is now part of mandatory training for all clinical staff commencing work at the Trust.

The Trust has recently introduced the newer oral anticoagulants Dabigatran and Rivaroxaban allowing their use in thrombosis prevention in patients undergoing hip and knee replacements. These newer drugs do not require any regular monitoring and will aid the delivery of thromboprophylaxis especially for the prolonged periods post discharge from hospital.

VTE - % of all adult in patients who had a VTE risk assessment on admission to hospital using the national tool:



This was calculated by dividing the number of adult inpatients reported as having a VTE risk assessment on admission to hospital using the national tool by the number of adults who were admitted as inpatients (includes day-cases, maternity and transfers; both elective and non-elective admissions).

Treatment of patients with presumed venous thrombotic events – pulmonary embolus or deep vein thrombosis:

Approximately 600 patients with either deep vein thrombosis or pulmonary embolus were commenced on anticoagulant treatment between April 2011 and March 2012. The majority of patients continue to be managed by the Trust's specialist Anticoagulant Nursing Team following early discharge, usually with less than 24 hours hospital stay, with regular outpatient assessment of their anticoagulation treatment including weekend clinics. This saves the Trust up to 2,000 bed days annually as well as improving the patient experience.

Service improvements during the last 12 months include:

- A domiciliary pathway for investigating patients with possible VTE in the community has been developed collaboratively between NHS Birmingham East and North, Birmingham Community Healthcare Trust and Heart of England Foundation Trust. It provides assessment and treatment of patients with a suspected DVT and aims to treat patients in their own home, where it is both clinically safe and appropriate.
- There has been an extension of the Trust's nursing team's role to manage the anticoagulation of inpatients who were already taking anticoagulants prior to admission or who have been commenced on anticoagulants for reasons other than acute venous thromboembolism.
- The development of an internal Intranet site providing all Trust staff with a one stop access to information and guidelines for the prevention and management of VTE.

Anticoagulation Clinic Performance:

The Trust's anticoagulation performance continues to be measured against other Trusts and this organisation continues to achieve the expected targets.

ACUTE PRIORITY 4: MANDATORY TRAINING

What was overarching aim:

To ensure that staff receive mandatory training, not only to meet legislative and statutory body standards, but to limit risk to employees, patients and visitors. Mandatory training is defined as training that is deemed essential for the safe and efficient functioning of the organisation and/or the safety and wellbeing of individual members of staff. This includes statutory training.

What action was taken:

- Increased awareness of the importance of mandatory training,
- Developed an online learning package of mandatory training modules to ensure that staff have easier access to training. The modules can be accessed in the work place, at home or in the Trust libraries.
- Development of VITAL (Virtual Interactive Teaching and Learning), an e-learning module for nurses and midwives, to enhance their mandatory training set.

The current status:

Nearly 3,000 staff attended mandatory refresher training in 2011, with a further 560 completing the mandatory e-learning package which was launched in November 2011.

In January 2012 the Trust achieved NHSLA level 2 for Mandatory training – indicating that policies were appropriate and the processes within were followed.

The ongoing commitment:

- To develop VITAL (Virtual Interactive Teaching and Learning) for medical staff and managers in 2012.

COMMUNITY SERVICES PRIORITY 1: INCIDENT REPORTING

What was the overarching aim:

Solihull Community Services needed to improve the timeliness of current reporting of serious untoward incidents (SUIs) according to set local and national targets, in order for lessons to be learnt, adverse trends to be identified and advice to be sought in a timely fashion. The use of online incident reporting within the Trust, which Solihull Community Services is now part of, will help front line staff report more quickly.

What action was taken:

In September 2011, Solihull Community Services changed from a paper based reporting system to an electronic system. Information collected so far indicates that the number of incidents reported has not changed significantly, yet the time taken to report, review and manage these incidents has reduced. This has allowed Solihull Community Services to achieve both the local and national targets.

The current status:

Work is continuing to further improve the management of SUIs: the SUI forum meets monthly to review serious and reportable incidents and ensure that investigations are completed and learning implemented in a timely manner. The investigation tool for tissue viability reportable incidents is now part of the incident reporting process ensuring that action taken is as swift as possible and a similar tool is being explored for patient falls.

The ongoing commitment:

The Trust is committed to continue to work alongside acute colleagues, commissioners and the Strategic Health Authority and to improving the quality of services provided through the risk management processes.

COMMUNITY SERVICES PRIORITY 2: QUALITY OF LIFE MEASURES

What was the overarching aim:

Solihull Community Services has continued to collect and review valuable patient satisfaction feedback across all Community Health Services. This has given insight into the experience patients had after receiving care and has supported towards making the necessary changes within services. Solihull Community Services focussed this year on developing and piloting additional patient experience tools to review the impact and improvements care developed had had on patients' lives.

What action was taken:

Four services were identified to take part in a pilot and individual patient experience questionnaires were used for each. The four services involved were Dermatology, Continence, Meadow Centre (Children's Services) and Adult Speech and Language.

Meadow Centre developed a questionnaire that would support a very specialist area of care for children. The service has been piloting this questionnaire and part of the work undertaken is to evaluate its effectiveness. The use of the questionnaires for the three other services has helped to provide a measure of how the care patients received has impacted on their life.

A time limited group has been set up to support the services with implementation and continuous review of processes. The services piloted the tools and reflected on its effectiveness. Data analysis to date has demonstrated that some of the survey tools seem to be providing a useful insight to outcomes of treatment from a patient's perspective.

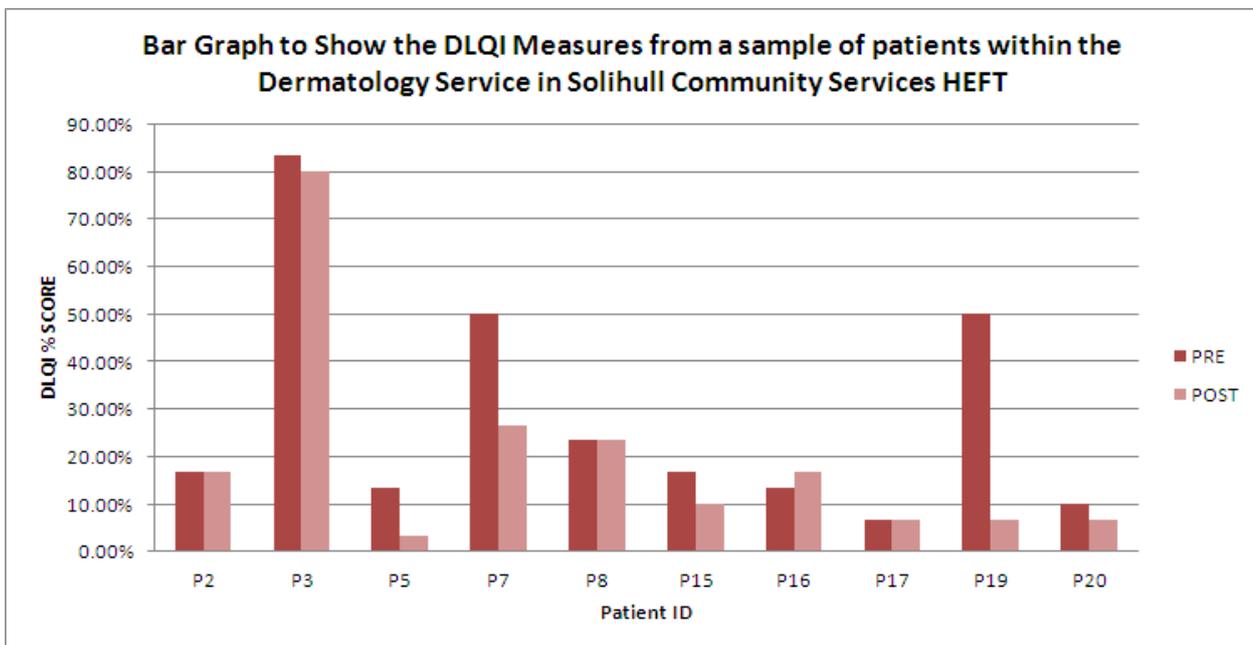
The current status:

Listed below are examples of the data for the Dermatology service which demonstrated the outcomes reported to date.

Dermatology Service:

A sample of 13 patients were recruited at the time of writing this report, out of which 11 to date (end of December) had a pre and post measure recorded. The tool uses a scoring index (Dermatology Life Quality Index) to calculate the impact treatment has had on the patients' quality of life. Figure 1 below gives a breakdown of the 11 patients' Dermatology Life Quality Index (DLQI) scores under the 6 sub headings and a final score. The overall scores pre and post for each patient has been also illustrated in the bar graph below.

- 6/11 (55%) patients had a positive outcome / impact of life;
- 3/11 (27%) had no change;
- 1/11 (9%) decided not to give further detail on the post measure feedback (not shown below);
- 1/11 (9%) had a very slightly negative outcome/impact of life.



The ongoing commitment:

Solihull Community Services will now focus on developing other patient experience tools to review the impact and improvements care delivered has had on patient's lives.

COMMUNITY SERVICES PRIORITY 3: PUBLIC HEALTH TRAINING

What was the overarching aim:

This priority is linked to the CQUIN agreed with the lead Commissioner for 2011/12 and is co-dependent on the training to be delivered through the Primary Care Trust. Public health service provides a preventative aspect of healthcare, preventing health issues before occurrence, improving the population's quality of life. SCS will build on and invest towards ensuring public health training is received by front line staff, in relevant services, to provide them with the knowledge and awareness to assist them to give advice to patients when delivering care within their service.

The current status:

Identified staff have undertaken relevant training, providing them with the education and awareness to make appropriate referrals to alcohol and smoking related services for service users.

2012/13 - PRIORITIES FOR THE COMING YEAR

During November, December and January 2011/12, the Trust consulted extensively with a range of internal and external stakeholders and patients in order to determine what the priorities should be for the coming year - 2012/13. Local stakeholders groups, service users, Trust volunteers and Governors were invited to attend one of three half-day focus group workshops.

These indicators were chosen because this is what the local communities and patients prioritised as part of the consultation. The priorities that the Trust has decided to focus on in 2012/13 is outlined as follows:

Priority 1	FUNDAMENTALS OF CARE
	<p>How will performance be measured and monitored? This priority will be based on the National Care Campaign and will specifically look at Pain management; Communications; Privacy & Dignity; Nutrition. Performance will be measured through Trust wide developed Scorecards.</p> <p>How will progress be reported? Through the Nursing and Midwifery Performance Board</p>
Priority 2	FALLS
	<p>How will performance be measured and monitored? Performance will be measured through Trust wide developed scorecards which include nursing metrics regarding assessments, falls per occupied bed days, which wards have the highest number of falls etc.</p> <p>How will progress be reported? Through the Nursing and Midwifery Performance Board</p>
Priority 3	PRESSURE SORES
	<p>How will performance be measured and monitored? Performance will be measured through Trust wide developed scorecards which include nursing metrics regarding assessments, tissue viability audits, incident numbers etc.</p> <p>How will progress be reported? Through the Nursing and Midwifery Performance Board</p>
Priority 4	FRACTURE NECK OF FEMUR - To improve clinical outcomes of patients with fractured neck of femur
	<p>How will performance be measured and monitored? The Trust current submits data to the National Hip Fracture Database (NHFD). The NHFD is a joint venture of the British Geriatrics Society and the British Orthopaedic Association, and is designed to facilitate improvements in the quality and cost effectiveness of hip fracture care. It allows care to be audited against the six evidence-based standards and enables local health economies to benchmark their performance in hip fracture care against national data. This data will be used to assess the Trust's own clinical outcomes with regard to fractured neck of femur and to subsequently improve this.</p> <p>How will progress be reported? Data will be reported at quarterly audit meetings and the Trust Quality Group.</p>

Further details of the consultation process are included in Section 3 (page 76) of this report.

PART 2: STATEMENTS OF ASSURANCE

This section includes statements which are mandated by the Department of Health to be included in the Quality Account. The aim of this nationally requested content is to give information to the public that is common to Quality Accounts across all Trusts. These statements demonstrate that the organisation is:

- Performing to essential standards;
- Measuring our clinical processes and performance;
- Involved in national projects and initiatives aimed at improving quality.

SERVICE INCOME

During the financial year 2011-12 Heart of England NHS Foundation Trust provided and/or sub-contracted 76 NHS services.

Heart of England NHS Foundation Trust has reviewed all the data available to them on the quality of care in all of these NHS services.

The income generated by the NHS services reviewed in the financial year 2011-12 represents 100% per cent of the total income generated from the provision of NHS services by the Heart of England NHS Foundation Trust for the financial year 2011-12.

CLINICAL AUDIT

Nationally managed audits are designed to enable learning and promote improved patient outcomes across a wide range of medical, surgical and mental health conditions. These audits are a priority for the Trust and are included in the directorate's audit programme. They enable clinicians to compare their clinical practice against standards and to use this information to deliver better outcomes in the quality of treatment and care. These national audits are designed to ensure that all patients receive the most effective, up-to-date and appropriate treatment, delivered by clinicians with the right skills and experience.

During 2011-12, 48 National Clinical Audit and Patients Outcome Programme (NCAPOP) national clinical audits and 7 National Confidential Enquiries covered NHS services that the Trust provides.

There were 3 national clinical audits which covered NHS services that SCS provided. There were no applicable National Confidential Enquiries.

During 2011-12 the Trust participated in 90% NCAPOP national audits and 100% national confidential enquiries of the national clinical audits and national confidential enquiries which it was eligible to participate in.

Solihull Community Services registered for both of the national clinical audits which it was eligible to participate in, but the patients did not meet the criteria to participate further. The third audit, a continence audit, was a pilot for this year and not mandatory to be undertaken.

The National Clinical Audits and National Confidential Enquiries that the Trust was eligible to participate in during 2011-12 are as follows: (see Table 1 &2). The National Clinical Audits (NCAPOP & non NCAPOP) and National Confidential Enquires that the Trust participated in, and for which data collection was completed during 2011/12 are listed below alongside the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry.

Table 1: National audits (NCAPOP) the Trust was eligible to participate in:	Participation in 2011-12	Submissions req'd by ToR	% of submissions completed	Comments / Reasons for NOT participating
Acute Myocardial Infarction & other ACS (MINAP)	Yes	All relevant cases	100%	Meeting standards fully
Adult asthma (British Thoracic Society)	Yes	All relevant cases(20)	100%	
Adult community acquired pneumonia (British Thoracic Society)	Yes	All cases	50 (100%)	Report received
Adult critical care (Case Mix Programme)	Yes	All relevant cases	Continuous	
BHIVA National Audit 2010: Audit for patients seen for diagnostic work up after testing HIV positive.	Yes	All cases	100%	
2011 Audit against the Key Performance Indicators in the BASHH STI Management Standards (STIMS).	Yes	40	100%	
Acute stroke (SINAP)	Yes	1200	All relevant cases	Awaiting report
Bowel Cancer (National Bowel Cancer Audit Programme)	Yes	392	100%	Report received- No actions required
Bronchiectasis (British Thoracic Society)	Yes	N/A	N/A	Audit report received in 2011

British Cardiac Interventional Society (BCIS) Angioplasty Audit	Yes	All relevant cases	100% (continuous)	Meeting standards fully
Cardiac Arrest (national cardiac arrest audit)	Yes	All cases fitting criteria (325 to Dec2011)	100%	% Survival from cardiac arrest is above the national figure
Carotid Interventions (carotid Interventions Audit)	N/A	N/A	N/A	Information not available
Childhood epilepsy (RCPH National Childhood Epilepsy Audit)	Yes	All relevant cases	100%	
Chronic pain (National Pain audit)	Yes	All relevant cases	100%	
COPD (British Thoracic Society /European Audit)	No	N/A	N/A	Registered to start audit in Spring 2012
Diabetes (National Adult Diabetes Audit)	Yes	All relevant-160 approx	100%	
Diabetes (RCPH National Paediatric diabetes)	Yes	N/A	N/A	Database has been launched for participation in 2012
Elective Surgery (National Proms programme)	No	N/A	N/A	Information not available
Falls and non-hip fractures (National Falls & Bone Health Audit)	Yes	20 hip 40 non hip at each site 120 total	100%	2 year audit programme Audit submission 2010- Report 2011.
Emergency Use of Oxygen (British Thoracic Society)	No	N/A	N/A	Considering registration
Familial hypercholesterolaemia (National Clinical Audit of Mgt of FH)	N/A	N/A	N/A	Trust not invited to take part
Head & neck cancer (DAHNO)	Yes	48	100%	
Heart Failure (Heart Failure Audit)	Yes	300 cases submitted from March 2011	100%	
Heavy menstrual bleeding (RCOG National Audit of HMB)	Yes	All relevant cases (80)	100%	
Hip Fracture (National Hip Fracture Database)	Yes	All cases	100%	Report received
Hip, Knee and ankle replacements (National Joint Registry)	Yes	All relevant cases	100%	
Intensive care national Audit and Research programme	Yes	All relevant cases	100%	
Lung cancer (National Lung Cancer Audit)	Yes	397	98%	

National Colonoscopy Audit	Yes	All cases	100%	waiting biannual report
Neonatal intensive and special care (NNAP)	Yes	All babies admitted to NNU	100%	
Non invasive ventilation (NIV) - adults (British Thoracic Society)	Yes	All cases (48)	100%	Report received
O Neg blood use (National Comparative Audit of Blood Transfusion)	Yes	All cases (40)	100%	Actions from 2010/11 report implemented
Paediatric asthma (British Thoracic Society)	Yes	All relevant cases (41)	100%	
Paediatric fever (College of Emergency Medicine)	Yes	50 at each site (150 in total)	100%	
Paediatric Pneumonia (British Thoracic Society)	No	N/A	N/A	Only submit bi-annually due to low numbers
Parkinson's disease (National Parkinson's Audit)	Yes	All relevant cases and follow-ups	100%	Submitted Dec 2011
Perinatal mortality (CEMACH)	N/A	N/A	N/A	No information available
Peripheral vascular surgery (VSGBI Vascular Surgery Database)	Yes	All applicable cases	100%	submission ongoing
Platelet use (National Comparative Audit of Blood Transfusion)	Yes	All cases(33)	100%	
Audit of blood transfusion in neonates & children	Yes	All cases	100%	Actions from last report implemented
Pleural procedures (British Thoracic Society)	No	N/A	N/A	Local data collected and audited. Not submitted to national database
Potential Donor Audit (NHS Blood & Transplant)	N/A	N/A	N/A	No information available
Renal colic (College of Emergency Medicine)	Yes	Submitted 50 per site (150 in total) from August 1 st 2011	100%	
Renal replacement therapy (Renal Register)	Yes	All relevant cases – Approx 80 annually	100%	Ongoing audit & reporting
Severe Trauma (Trauma Audit & Research Network)	Yes	All relevant cases	100%	
Stroke care (National Sentinel Stroke Audit)	Yes	N/A	N/A	A 2 yearly audit – next submission

				2012/13 report received 2011
Ulcerative colitis & Crohn's disease (National IBD Audit)	Yes	40	44%	submission on going
Vital signs in majors (College of Emergency Medicine)	Yes	50	100%	
National Audits Non NCAPOP- that the Trust was eligible to participate in:	Participation in 2011-12	Submissions req'd by ToR	% of submissions completed	COMMENTS / Reasons for NOT Participating
Cardiac Rhythm Management Audit	Yes	All relevant cases	100%	
National Audit of Seizure management in Hospitals (NASH)	Yes	79- all relevant cases	100%	1st year of audit
National Physio Practice for Thoracic Patients	Yes	All relevant patients	100%	
Pain in Children (College of Emergency Medicine)	Yes	150 case submitted	100%	New audit for 2011/12
Sepsis and Severe Sepsis (College of Emergency medicine)	Yes	Submitting at present	90 cases required	New audit for 2011/12
Upper GI (Bi Annual) Audit	Yes	All cases	100%	Deadline for submission Oct 2012
National Audits the Trust was not eligible to participate in:	Participation in 2011-12	Submissions req'd by ToR	% of submissions completed	COMMENTS / Reasons for NOT Participating
CABG and valvular surgery (Adult cardiac surgery audit)	N/A	N/A	N/A	Service not provided by Trust
Cardiothoracic transplantation (NHSBT UK Transplant Registry)	N/A	N/A	N/A	Service not provided by Trust
Coronary angioplasty (NICOR Adult cardiac interventions audit)	N/A	N/A	N/A	Service not provided by Trust
Depression & anxiety (National Audit of Psychological Therapies)	N/A	N/A	N/A	Service not provided by Trust
Liver transplantation (NHSBT UK Transplant Registry)	N/A	N/A	N/A	Service not provided by Trust
National Audit of Schizophrenia (NAS)	N/A	N/A	N/A	Service not provided by Trust
Paediatric cardiac surgery (NICOR Congenital Heart Disease Audit)	N/A	N/A	N/A	Service not provided by Trust
Paediatric intensive care (PICANet)	N/A	N/A	N/A	Service not provided by Trust
Patient transport (National Kidney Care Audit)	N/A	N/A	N/A	Service not provided by Trust

Prescribing in mental health services (POMH)	N/A	N/A	N/A	Service not provided by Trust
Pulmonary hypertension (Pulmonary Hypertension Audit)	N/A	N/A	N/A	Service not provided by Trust
Renal Transplantation (NHSBT UK Transplant Registry)	N/A	N/A	N/A	Service not provided by Trust

Table 2: National Confidential Enquires (NCEPOD)/CMACH that the Trust was eligible to participate in:	Participation 2011-12	Percentage of required number of cases submitted
Surgery in Children: Are we there yet?	Yes	No cases selected
Peri-operative care: Knowing the Risks	Yes	All relevant cases sent
NCEPOD - Cardiac Arrest study	Yes	Spreadsheet returned 14 cases selected- 4 returned- 29% Organisational questionnaire returned
NCEPOD- Bariatric Surgery	Yes	Spreadsheet returned 8 cases selected 8 questionnaires returned- 100% 5 case notes returned- 63% Organisational questionnaire – being completed at present
NCEPOD- Alcohol Related Liver Disease	Yes	Spreadsheet returned. Data collection not commenced yet
CEMACE – peri-natal mortality	Yes	As required
CEMACE-Saving Mother's Lives	Yes	All applicable maternal cases – 100%

Notes: Percentages given are latest available figures. Some studies are still ongoing so percentages are not supplied as submission is still continuing. A number of the national audits are run over two year periods, so submission is not required yearly. This is outlined in the tables above where applicable.

The Trust's Safety and Governance Directorate monitors the Trust's participation in all audits through its audit database system. This includes national audits and actions taken in accordance with recommendations. This activity is reported to the Clinical Standards Committee on a six monthly basis.

The Trust's Audit Strategy includes prioritising support for participation in national audits, that is those audits within the National Clinical Audit Patient Outcomes Programme (NCAPOP) and other provider subscribed national audits. NCAPOP consists of a series of audits commissioned and managed by the Healthcare Quality Improvement Partnership (HQIP), under the guidance of the National Clinical Audit Advisory Group (NCAGG). Not all of the national audits listed in Tables 1 and 2 provide reports or recommendations back to the Trust on an annual basis. In a number of cases as demonstrated in Table 1 the Trust is still awaiting reports from which the Trust will then develop actions where required.

The reports of 7 national clinical audits were reviewed by the Trust in 2011/12 and the Trust intends to take the following actions to improve the quality of healthcare provided:

Actions' arising from National audits recommendations
Renal colic (College of Emergency Medicine) Audit
<ul style="list-style-type: none"> • Clinical Decisions Unit patient pathway amended following report from audit.
Stroke care (National Sentinel Stroke Audit)
<ul style="list-style-type: none"> • Implementation of hyper-acute stroke beds. • Appointment of acute stroke consultant – for front door assessment of stroke and TIA. • Increased therapy input and hours to stroke patients. • Implementation of Daily TIA clinics. • Access to week-end imaging fro stroke patients. • Training of nurses in swallowing assessment. • Increase in number of thrombolysed patients within protocol.
British Cardiac Interventional Society (BCIS) Angioplasty Audit
<ul style="list-style-type: none"> • Transfers pathway being reviewed to reduce areas of delay in pathway.
Cardiac Arrest (national cardiac arrest audit)

<ul style="list-style-type: none"> Trust % survival rate for cardiac arrests is above the national figure.
2011 Audit against the Key Performance Indicators in the BASHH STI Management Standards (Standards for the Management of Sexually Transmitted Infections)
<ul style="list-style-type: none"> Patient assessment document revised to include two additional key assessment items to improve patient assessment.
National comparative audit of the use of Red Cells in Neonatal and Paediatrics
<ul style="list-style-type: none"> Trust Policy revised to include guidelines in the use of Red cells in children. Policy change disseminated via posters across paediatric and neonatal departments.
BHIVA National Audit
<ul style="list-style-type: none"> Improved HIV testing training for staff – resulting in increased number of HIV tests performed.

Within the Trust, a wide range of local nursing and medical clinical audits are undertaken within each clinical speciality. These audits are undertaken to examine whether treatments or services are meeting standards of best practice such as NICE, or they may be specific audits identified to monitor compliance to internal standards, policies and protocols.

A total of 849 clinical audits were registered onto the online audit database (440 in 2011/12; 409 carried forward from 2010/11). In 94 of these local audits, the whole audit cycle has been completed and actions have been put into place where required to enhance practice. The remainder are in progress towards completion of the cycle. Staff undertaking clinical audit are required to provide evidence of actions recommended from audits to improve service delivery, patient satisfaction and clinical quality on to the audit database and to action a re-audit. Following the introduction of the on-line audit database in 2010, which has enabled better evidence collection of audit outcomes, the Trust now has in place an audit learning site on the Governance and Safety website to embed learning from audits across the whole of the Trust.

The reports of 94 local clinical audits were reviewed by the Trust in 2011/12 and the Trust intends to take the following actions to improve the quality of healthcare provided as outlined in Table 4.

Solihull Community Services undertook 16 local audits. These have been monitored and supported by Clinical Governance within community services and reported to a dedicated operational committee around progress.

Table 4 :Examples of actions being taken following local audits at the Trust

- Implementation of a Transient Loss of consciousness/Syncope algorithm and guideline developed following audit.
- Electronic Boards designed with estimated discharge date and a crib sheet implemented from Acute Medicine BHH audit work.
- Development of a policy for the use of Optical Coherence Tomography for patients with macular changes.
- Development and implementation of Retinal Screening Governance manager. Development of Governance reporting processes for Retinal Screening Programme.
- All doctors informed of the Diabetes inpatient audit findings and which insulin and oral hypoglycaemic should be prescribed at mealtimes only.
- Development of 'Safe Prescribing Quick Guide of Insulin and Oral Anti-diabetes drugs' circulated to all prescribers at the Trust. E-prescribing alerts implemented to alert prescribers who try to prescribe mealtime insulin and OHAs at 10pm.
- Implementation of weekly report of all prescribers who have prescribed insulin and oral diabetes drugs off protocol to enable feedback to these doctors by a diabetes consultant.
- Development of diabetes nursing metrics and a ward performance assurance framework.
- 100% conformity with British Association of Dermatology guidelines.
- Development of a pocket sized nursing safety manual.
- Re-organisation of referral process to Ear, Nose and Throat emergency clinic – to enable improve patient outcomes.
- Development and implementation of patient information epidural information card.
- Development and implementation of paediatric guideline inclusive of High Flow oxygen use in patients with bronchiolitis.

Examples of Actions being taken following Local Audits at Solihull Community Services

- Review of future communication and information with GP Committees and Looked After Children's Services.
- Ensure safe transport of used sharps safely within the community.
- Improvement of collecting and recording surgical surveillance data to monitor infection rates.

RESEARCH

The number of patients receiving NHS services provided or sub-contracted by the Trust in 2011/12 that were recruited during that period to participate in research approved by the Research Ethics Committee was 3726. At any one time, there are over 500 individual research projects being undertaken across the three hospital sites. Some of these projects are open for a only a few weeks, whilst the majority of projects run for over 12 months and potentially up to 10 years as in the case of cancer trials where long term follow up is key to understand the impact of introducing a new treatment regime.

The majority of directorates undertake some form of research. Where most research is undertaken and where it is has been shown to make an impact on practice locally, are in those directorates where there is an academic affiliation and joint posts between the University of Birmingham, University of Warwick and Aston University. These include diabetes including metabolism, obesity and sleep, anaesthesia, critical care, pain, resuscitation, respiratory medicine, cancer, vascular surgery, infection, obstetrics and ophthalmology.

The implementation of the Trust's Research Strategy 2011-2014 is fully supported by the Trust Board and this, alongside the recent appointment of Professor Don Milligan as Director of the Healthcare Research Institute, enables the Trust to appoint more research active staff and increase the amount of research it undertakes over the coming months and years. This will continue to have an impact on and improve the care provided to patients.

Clinical Research

Did you know the Trust has the largest number of haematology patients undergoing clinical research trials in the West Midlands, and is one of the largest in the UK?

High quality research is vital for providing patients with opportunities to access new drugs that may not be available otherwise and determining the best combination of old and newer drugs in treating patients. Haematology patients who decide to participate in a clinical research trial, such as a new cancer drug, may be newly diagnosed or have relapsed with leukaemia, lymphoma, multiple myeloma, other blood-related conditions or undergoing bone marrow transplantation.

Research can take the form of trials conducted by NCRI (academic) or pharmaceuticals (commercial). The team of experts specialising in treating and researching into complex blood disorders are always eager to explore new avenues in order to expand their knowledge and the resources of the department.

Consultant haematologist Dr Guy Pratt, is a clinical trials and laboratory research lead. He said: 'Year on year we are undertaking more research trials at the Trust, ensuring we make progress in the treatment of patients now and in the future. Haematological practice is changing rapidly and we are very much a forward-looking department wanting to develop the newest treatment for patients.'



COMMISSIONING FOR QUALITY AND INNOVATION (CQUINs)

A proportion of the Trust's income in the financial year ending 31st March 2012 was conditional on achieving quality improvement and innovation goals agreed between the Trust, Birmingham East and North PCT (lead commissioner for West Midlands PCTs) and West Midlands Specialised Services for the provision of NHS services, through the Commissioning for Quality and Innovation (CQUIN) payment framework.

Further details of the agreed goals for 2011/12 and for the following 12 month period can be found at:

http://www.institute.nhs.uk/commissioning/pct_portal/2011%1012_cquin_schemes_west_midlands.html.

The CQUINs accounted for approximately £7 million of the Trust's income in 2011/12. The CQUIN goals were agreed jointly by the Trust and the lead commissioning PCT selected from a regional 'pick list' of priorities determined by the West Midlands Strategic Health Authority. In summary these include:

Acute Contract

No	Indicator Name
1	VTE Risk Assessment
2	Patient Experience
3	Alcohol
4	Smoking
5	Maternity - Common Assessment Framework
6	Maternity - Community Midwifery
7	Medicines Management - Antibiotic Stewardship
8	Medicines Management - Prescribing Efficiencies

Specialised Services Contract

No	Indicator Name
1	Reducing Avoidable Harm: VTE Prevention
2	Patient Experience
3	Access to Chemotherapy out of Hospital
4	Access to Renal Therapies
5	Access to Organs for Transplant
6	Avoiding Preventable Blindness in Neonates
7	Improving Neonatal Care Pathways

A proportion of Solihull Community Services income in 2011/12 was conditional on achieving quality improvement and innovation goals agreed between SCS and Solihull PCT, with an associated value of £375,000.

Solihull Community Services Contract

No	Indicator Name
1	Community Services
2	Patient Experience
3	Public Health Training

Trust performance against these CQUIN targets are monitored by the Executive Management Team and Trust Board.

Although not all CQUINs targets across the Trust were met, performance for 2011/12 against more demanding requirements was generally good. The targets for the Inpatient Survey, one of the four Alcohol Metrics and, three of the seven Maternity Metrics were not fully met. However it is worth noting that performance for each of these showed an improvement on the agreed baseline and in many instances only narrowly missed achieving their target.

CARE QUALITY COMMISSION

The Trust is required to register with the Care Quality Commission (CQC) and its current registration status is registered without any conditions.

During 2011/12, the Trust had two responsive reviews from the CQC:

- In August 2011, CQC completed an unannounced inspection to review Outcome 4 (Care and welfare of people who use services) and Outcome 9 (Medicines Management).
- In January 2012, CQC completed an unannounced inspection of the Emergency Department on the Birmingham Heartlands Hospital site.

The August inspection found that the Trust was compliant with Outcome 4, but not compliant with Outcome 9. A full action plan was developed to address the gaps identified from the inspection. Many of the actions have already been completed with the remaining actions due to be completed by the end of March 2012. An update on the action plan was submitted to the CQC and Monitor in January 2012.

The January inspection found the Trust to be compliant with Outcome 4 and Outcome 13 (Staffing). The CQC report stated that:

‘People using Heartlands Hospital Accident and Emergency service experience effective, safe and appropriate care, and treatment that meet their needs and protects their rights. People's privacy and dignity are respected’

and that

‘There are sufficient numbers of suitably qualified, skilled and experienced staff to meet the health and welfare needs of people using Heartlands Hospital accident and emergency department’.

In 2011/12, the Trust did not participate in any special reviews or investigations by the Care Quality Commission.

INFORMATION GOVERNANCE TOOLKIT

The Connecting for Health Information Governance Toolkit sets out standards for information governance systems and processes in NHS organisations.

The Trust Information Governance Assessment Report score overall score for 2011/12 was **62%** (not satisfactory) and was graded as Red.

In order to achieve ‘satisfactory’ status (Green) the Trust would need to declare compliance at Level 2 for all standards. The Trust did not reach Level 2 in **seven** standards. Action plans for these standards have been developed and will be monitored by the Information Governance Committee.

DATA QUALITY

The Trust is taking the following actions to improve data quality:

- A suite of measures known as the Data Quality Health Check which identifies areas of poor performance are reported on a weekly basis to a range of operational and managerial staff throughout the Trust. A subset of these is also presented at the Trust's Executive Directors Committee (on a monthly basis) where data quality is a standing agenda item. Data Quality also forms part of monthly Directorate reports and from April 2012 will be a standing agenda item on performance meetings with action plans in place to improve on performance.
- The Data Quality Project Board meets quarterly and focuses on areas of concern requiring improvement in data quality.
- The Trust employs a team of Data Quality staff who contribute to the Trust's induction programme to raise the importance of good data quality and also participate in the training of staff as it relates to Data Quality for the use of the Trust's main systems.
- The development of a new Data Quality training package is completed and is being piloted. This will facilitate refresher training for key members of staff for whom attendance at a refresher will be mandated. After successful completion of the course staff will be issued with a certificate. If the staff member is not successful, additional training will be provided and the opportunity to retake the course offered. Any further data quality development needs will be agreed with the staff member and their line manager.

The Trust submitted records during 2011/12 to the Secondary Uses Service for inclusion in the Hospital Episode Statistics which are included in the latest published data. The percentage of records in the published data which included the patient's valid NHS number was:

Valid NHS Number	%
Admitted patient Care	99.3%
Outpatient Care	99.76%
A&E	98.77%

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

Valid GP Practice	%
Admitted Patient Care	100%
Outpatient Care	99.98%
A&E	99.23%

Data Quality in Solihull Community Services is operationally monitored with a bi-monthly Data Quality Steering Group. The group agrees on standard audit reporting for all community services on data quality issues, which take into account key performance indicators, and consistency and

accuracy of clinical and contact recording. The standard agreed reports are run monthly and communicated to service heads via sharepoint portal, which the service heads then distribute to identified staff to either rectify or address the data quality issue. Support in addressing this is also provided by the Data Quality Officer and the Electronic Patient Record team within IT.

CLINICAL CODING ERROR RATE

The Trust was subject to the Payment by Results clinical coding audit during the reporting period by the Audit Commission and the error rates reported in the latest published audit for that period for diagnoses and treatments coding (clinical coding) were:

Table 1: **Table of main findings – clinical coding (coder and non-coder errors)**

Area audited	% Procedures coded incorrectly		% Diagnoses coded incorrectly		% of episodes changing HRG	% of spells changing HRG
	Primary	Secondary	Primary	Secondary		
Locally determined specialty – ENT	28.3	24.7	22.0	28.6	16.0	16.2
Random selection from SUS	0.0	10.0	3.0	12.4	6.0	6.1
Overall	20.8	19.7	12.5	16.5	11.0	11.6

The specialties audited were 100 Finished Consultant Episodes (FCE) in ENT and 100 random FCEs selected from our quarter 2 data submissions

The results should not be extrapolated further than the actual sample audited

1. This year the Trust’s average HRG error rate is 11 per cent. This is a continuing improvement, from an episode HRG error rate of 19 per cent in 2009/10, to 13.3 per cent in 2010/11.
2. The report made 2 recommendations relating to improving the source documentation used for clinical coding and providing and feedback and training to coders
3. An action plan has been developed to address the recommendations. Quarterly updates will be provided to the Trust Finance and performance Committee and to the Primary Care Cluster

In 2011/12 the Trust underwent an Audit Commission Review of the 2010/11 audit recommendations and it was found that:

The Trust has made good progress in delivering Clinical Coding recommendations. Out of the six recommendations made, two recommendations were found to have insufficient progress, actions plans are in place to deliver these.

The Trust has made significant investment in the Clinical Coding Team in 2011/12 and a new clinical coding structure, incorporating an audit and training function has been established from January 2012. It is anticipated that the introduction of this new team will have a significant impact on the quality of clinical coding at the Trust.

PART 3: OTHER INFORMATION

Quality Performance Review

As a Trust, the aim is that everyone in the organisation always puts the highest possible value on patient safety in every decision they make. The Trust is committed to improving safety and quality and to reducing avoidable patient harm. Several work streams have been initiated and refined over the last 12 months which demonstrates the Trust's continuing commitment to improving patient safety.

PATIENT SAFETY

Acute Services:

The Trust has a dedicated Patient Safety Team that has been working hard on several initiatives during 2011/12. These include:

A new **fluid balance and hydration chart** which was launched to coincide with a national campaign 'A taste of patient safety nutrition and hydration week'. Fluid balance is the balancing of the quantities of fluid entering the body with the quantities leaving it. Fluid balance can alter with disease and illness. Following the launch, the team revisited the wards with some ad hoc sessions, including patient stories of when inaccurate fluid balance or hydration monitoring has caused harm and also to assess how people were finding the new charts and how accurately they were completing them.



The launch of a **safety manual** for nurses working in adult areas was completed at the end of August 2011. The manual is designed to provide easy access to key information, at the bedside, at any time.

The organisation has detailed policies and procedures, but key information was not always readily available to nurses. The pocket sized manual contains user friendly flow charts to guide nursing practice. The content is based on top safety issues and incident themes to ensure that lessons are learned. The manual has been commended by Dame Christine Beasley, NHS Chief Nurse.

The team are also working with nursing on testing a **safety thermometer** which is a national initiative which will become a mandated CQUIN, from April 1st 2012. The aim of the thermometer is for 'harm free care' and it will be used within community and acute settings. It contains 4 areas – Venous thromboembolism (VTE), pressure ulcers, falls and catheter related infection. The plan is

to initially test the tool and data collection methods on six wards on the Birmingham Heartlands Hospital site before it is rolled out across the organisation.

The results of diabetes monitoring on the nursing metrics showed poor compliance with standards of **blood glucose monitoring**. A revised chart has therefore been designed which is colour coded to guide practice, with clear instructions on the frequency of blood glucose monitoring. The design of the chart enables trends to be identified more easily.

There are several **safety focused newsletters** which are produced within the Trust. The aim of these newsletters is to improve awareness of patient safety and ensure lessons are shared across the organisation.

The nursing quality and safety newsletter is shared across all hospital sites. It has a different safety topic each month and provides teams with top tips to reduce incidents which may cause harm, promote good practice, share lessons learnt from previous incidents and share patient stories.

The Safe Medication Practice Group produces 'Medicines Safety Matters' to share best practice related to medication safety and also to share learning from medication incidents.

Regular **Patient safety walkabouts** continue to be conducted by the executive team. The walkabouts give frontline staff the chance to discuss safety issues directly with the executive team. The aim is to improve patient safety by:

- identifying areas of good practice which can be shared throughout the organisation;
- identifying potential safety issues and establish an action plan for safety improvements;
- opening channels of communication around patient safety from ward to board.

Actions resulting from these walkabouts are monitored by the Director of Safety and Governance and the Governance and Risk Committee.

Hospital at Night (H@N) and Hospital at Weekend (H@W):

H@N, now in place at all three of the Trust's hospitals, is a system of working that aims to achieve effective clinical care at night, by having one or more multidisciplinary teams on duty sharing a range of skills and competencies to meet a patient's immediate need.

The benefits for clinical staff are:

- The ability to spend more time on clinical care.
- To provide better information on which to base risk assessments.
- To work as one team, decreasing isolation, improving working relationships and boosting morale.
- Greater fairness and appropriateness in task allocation and responsibility.
- More and higher quality training and development opportunities as well as enhanced and extended competency levels.

Benefits for patients:

- More timely, better coordinated and a higher quality of clinical care.
- Improved risk assessment.

The H@W pilot was deployed at Good Hope Hospital on Saturday, 8th October 2011. H@W uses a similar model of working to H@N, where all clinical jobs from the base wards are requested via iBleep, filtered by a Nurse Co-ordinator, and passed onto members of the multi disciplinary team (MDT) for timely and appropriate action.

As part of the MDT, there is also a Nurse Practitioner to complete appropriate clinical jobs and support ward staff. The Phlebotomy (blood) and Pharmacy (medicine) Services are also working as part of the H@W MDT to ensure efficiency and the best possible care for patients through a Team approach.

Initial feedback received from a variety of different areas and professions has indicated that the service is of great value to all patients and staff on the site.

Incident Reporting:

The Trust actively encourages the reporting all types of incidents to ensure that lessons are learnt from such occurrences. Approximately 20,000 incidents are reported each year.

An incident is defined as an untoward event which causes or has the potential to cause any of the following:



- Harm to an individual
- Financial loss to an individual or the Trust
- Damage to the property of an individual or the Trust
- Disruption to services provided by the Trust
- Damage to the reputation of the Trust

This definition also encompasses all prevented incidents i.e. where none of the above occurred either by good fortune or due to the intervention of staff. These can also be referred to as 'near miss' incidents.

The themes from incidents are triangulated with complaints etc. The following table shows the themes and is used to help focus improvement projects/plans to improve patient safety.

Trust aggregation of data (Q3 2011/12)

Incident Categories	Complaints Sub-Categories	PALS Sub-Categories	Potential Claims Categories	Serious Incidents Themes (6 monthly)
Falls	Clinical treatment	Compliment/positive feedback	Failure to perform operation	Communication
Tissue Viability	Misdiagnosis	Positive feedback	Failure/delay treatment	Documentation
Clinical Care	Information / Communication	Information / Communication	Failure/delay diagnosis	Medication
Medication	Bereavement Issues	Delay/cancellation of appointment	Other	Professionalism
Admission/Transfer/ Discharge Issues	Discharge	Clinical Care		Failure/delay diagnosis

Trends

Falls / Slips
Medication
Information /Communication
Delay diagnosis/Results
Discharge

Trust actions

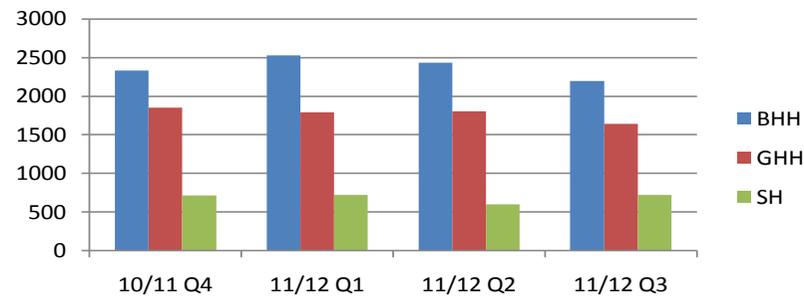
- Trust and Site falls groups in place, reviewing trends and learning from incident investigations.
- Safer practice medication working group. Think Glucose diabetes campaign. Nursing alert reminders issued.
- SBAR campaign. Nursing safety manual in development. Changing patient safety culture by Safety walk arounds
- Work completed to achieve NPSA alert (Radiology) Group 4 leading safety project on "Results Reporting"
- New Theme for Q3 11/12. For discussion.

This report provides the top 5 category themes for Incidents. Complaints, PALS, Claims and Serious Incidents for Q3 11/12.

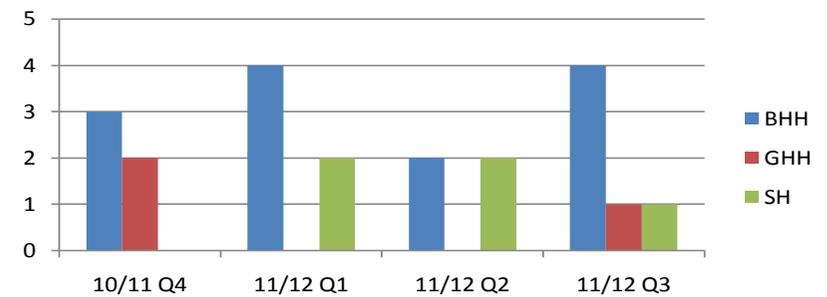
Falls remains a top category in incidents but has not appeared in the claims categories for this quarter. A new theme of discharge has been identified. Professionalism / Rudeness of staff was a new theme in Q2 11/12 and is no longer a theme in Q3 11/12.

Aggregation by Site (Q3 2011/12)

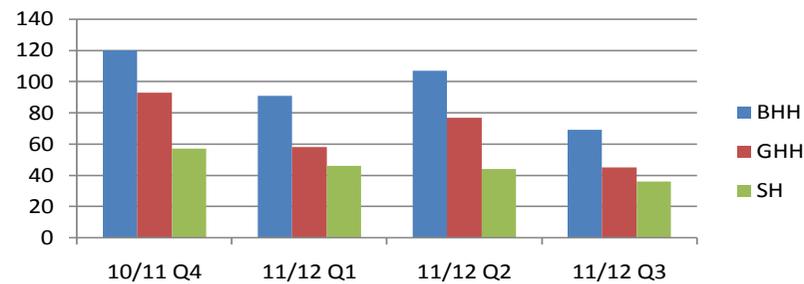
Incidents



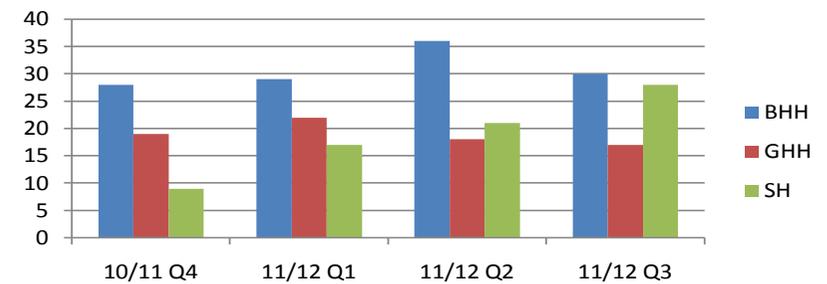
Serious Untoward Incidents



Complaints



Potential Claims



This data provides the levels of activity for Incidents, SUIs, Complaints and Potential Claims across the 3 main hospital sites. The Q3 11/12 shows consistent trends over the last 12 months, which will continue to be monitored.

“Never Events” are defined as ‘serious, largely preventable patient safety incidents that should not occur if the available preventative measures have been implemented by healthcare providers’. The criteria used to define a Never Event were: ‘the Never Event may or does result in severe harm/death to patients and/or the public; there was evidence of occurrence in the past; national guidance and/or national safety recommendations exists on how to prevent along with support for implementation; occurrence can be easily defined, identified and measured on an ongoing basis.’ (Never Events list ‘12 DH)

Wrong implant / prosthesis: 3 events

Impact	Location	Summary	Key finding	Key action
Event 1 Jun '11 (Patient was happy with overall outcome of surgery)	T&O / Theatres SH	Wrong sized insert (one part of complete implant) was used in knee replacement - Required further surgery	Human error during implant checking process	Development, implementation and audit of intra-operative implant checking process
Event 2 Jun '11 (Patient was happy with overall outcome of surgery)	Ophthalmology Theatres SH	Biometry readings for right eye used to select lens strength for left eye	Limited documentation available at time of surgery and erroneous but plausible clinical assumption/ judgement	Standardisation of documentation and pre-surgery checking of documentation
Event 3 Jul '11 (Patient was happy with overall outcome of surgery)	Ophthalmology Theatres SH	Wrong strength lens selected and implanted during cataract surgery	Human error of transcription of lens power from biometry reading	Redesign documentation to remove need for transcription

Retained foreign object post – operation : 2 events

Impact	Location	Summary	Key finding	Key action
<p>Event 1 Jun '11</p> <p>(Patient was happy with overall outcome of surgery and investigation)</p>	<p>T&O / theatres SH</p>	<p>Foreign object (screw) not detected before closure of wound and patient in recovery Required further surgery</p>	<p>Lack of team appreciation of missing screw and compliance with requirements to x-ray before wound closure</p>	<p>Review / launch Policy re: x-ray before wound closure Clarify roles and processes for raising patient safety concerns during surgery</p>
<p>Event 2 Sept '11</p> <p>No long terms effects</p>	<p>Obstetrics BHH</p>	<p>Vaginal swab left in situ after perineal repair</p>	<p>Swab counting procedures and lack of compliance with local policy to only use medium swabs after perineal suturing</p>	<p>Local policy awareness Procurement of delivery pack which only contains medium swabs</p>

Themes:

1) There is no theme in the main root causes of these incidents. Contributory factors associated with communication and culture in theatres have been explored via responsive safety review and action plans in place to support findings

2) Although the root causes were different, both ophthalmology incidents highlighted a need to review / standardise documentation to support the cataract pathway

Other factors:

In 2011/12 the number of national never events which are applicable to this Trust has increased from 11 to 22 and the definition of these never events has become much tighter

Both of the ophthalmology incidents could be interpreted as outside the criterion of the never event as further surgery was not required and the patients were happy with the outcome of their surgery

Solihull Community Services:

The quality of the care that Solihull Community Services (SCS) deliver across the health economy is managed in a number of ways, this includes:

- Through a number of expert committees and forums, such as the Policies and Procedures Committee, which review new and existing documentation and ensure that this reflects best practice, considers patient safety and the effectiveness of the care and it is readily accessible by staff;
- Information reflecting the safety, effectiveness and experience of the care delivered is scrutinised by experts and professionals, including public representatives who are members of various committees and groups within the organisation; and
- Quality, safety and performance information is sent through to each service and this is reviewed by staff at their Quality and Performance Forums and action plans are put in place to address any issues.

The governance arrangements within community services are being reviewed to enhance the structure of reporting and monitoring quality and safety.

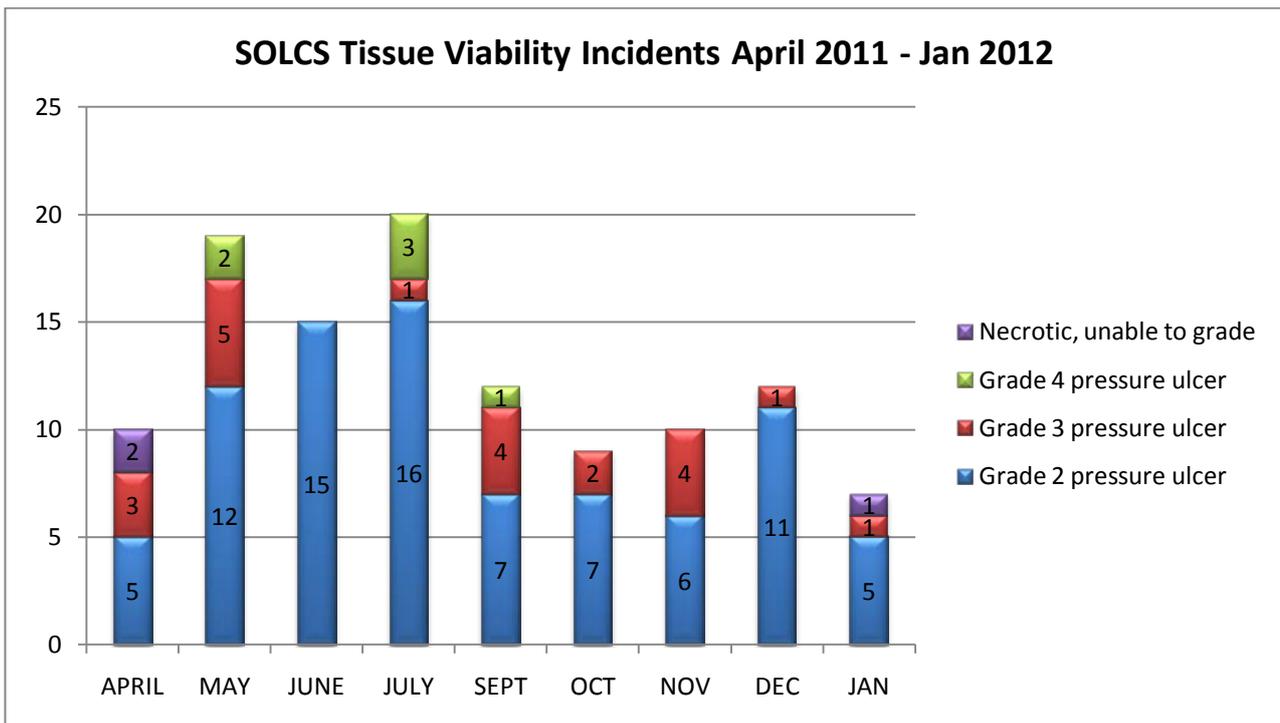
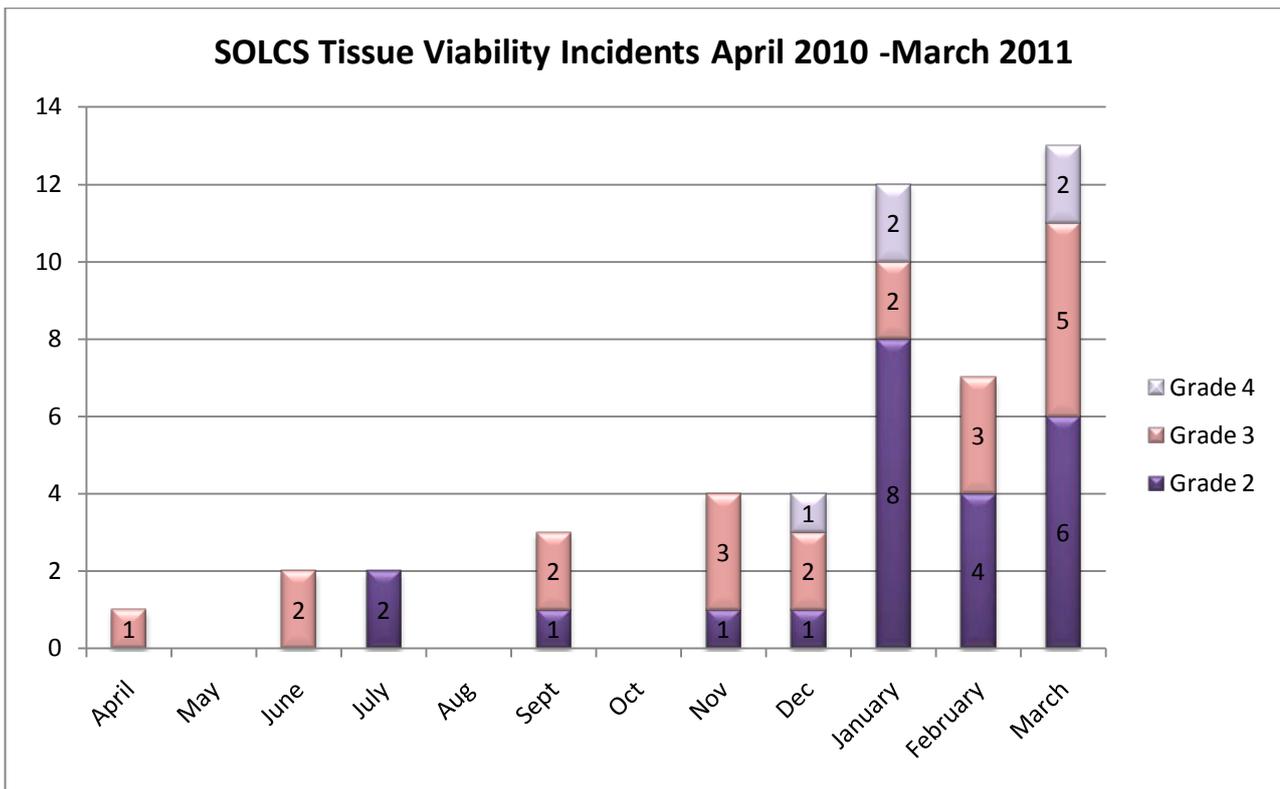
Below are further examples of the ways in which quality is managed and supported through systems and procedures within the organisation:

Serious Untoward Incident (SUI) Forum:

The forum has ensured that SCS has a robust mechanism for identifying and acting on SUIs. In addition, on-going actions are reviewed and service managers attend meetings to discuss progress. This has given assurance that actions have been implemented and supported where necessary.

Management and investigation of avoidable pressure sores:

The SUI forum reviews the incidents related to patients who have developed pressure sores to see where improvements could be made in care and what actions need to be considered to avoid pressure sores. Corrective action plans are developed and lessons learnt are shared across the services. The number of pressures sores reported as SUIs continues to be reviewed by the forum and data from 2010/11 has been used as a benchmark to review improvements resulting from the work driven through the forum during 2011/12.



The graphs above indicate much improved reporting of pressure sores which are reviewed through the forum. Improvement work is underway to review current standards in the management and care of patients with wounds within Solihull Community Services District Nursing teams. This includes developing a standard operating procedure to support consistency around care, training for staff and awareness for patients and their carers.

National patient safety alerts (NPSA):

Solihull Community Services continues to achieve 100% compliance with implementing National Patient Safety Agency alerts within the set timescales. This is supported by the service improvement team. SCS has strengthened governance arrangements by providing detailed reports to Quality and Performance meetings where alerts are reviewed, monitored and supported by managers.

National Institute for Health and Clinical Excellence (NICE) guidance:

Best practice is maintained through the implementation of NICE guidance which continues to be reviewed and monitored monthly by the service improvement team reports which are produced for management teams and Commissioners. Solihull Community Services has reviewed implementation by undertaking clinical audits related to a number of relevant guidance. Monitoring arrangements are strengthened by reviewing routine reports at service quality and performance forums to gain further assurance that actions and recommendations are being supported and implemented.

CLINICAL EFFECTIVENESS

Clinical Standards:

The Trust is committed to improving clinical standards to improve the quality and safety of the services it provides. The Clinical Standards Committee is responsible for embedding clinical audit and guidelines as tools to deliver improvements to patient care and services. The areas of focus for the Committee are as follows:

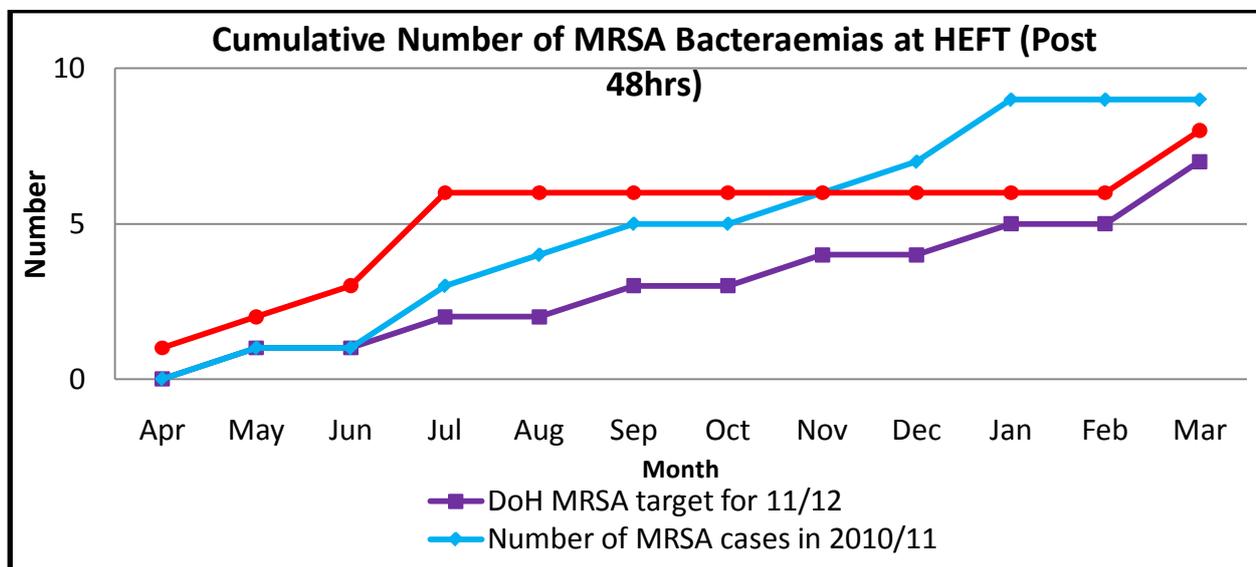
- To ensure the development and implementation of effective clinical audits.
- To receive regular updates on the progress of the Trust's annual audit plans.
- To review and approve local clinical guidelines ready for use.
- To review progress with implementation of national guidance (in particular NICE), priorities for implementation, speed of implementation and any potential risks associated with non-implementation.

The Committee works with clinical directorates to promote best practice and drive improvements in these areas and reports to the Governance and Risk Committee (a Trust Board level committee).

Infection Control:

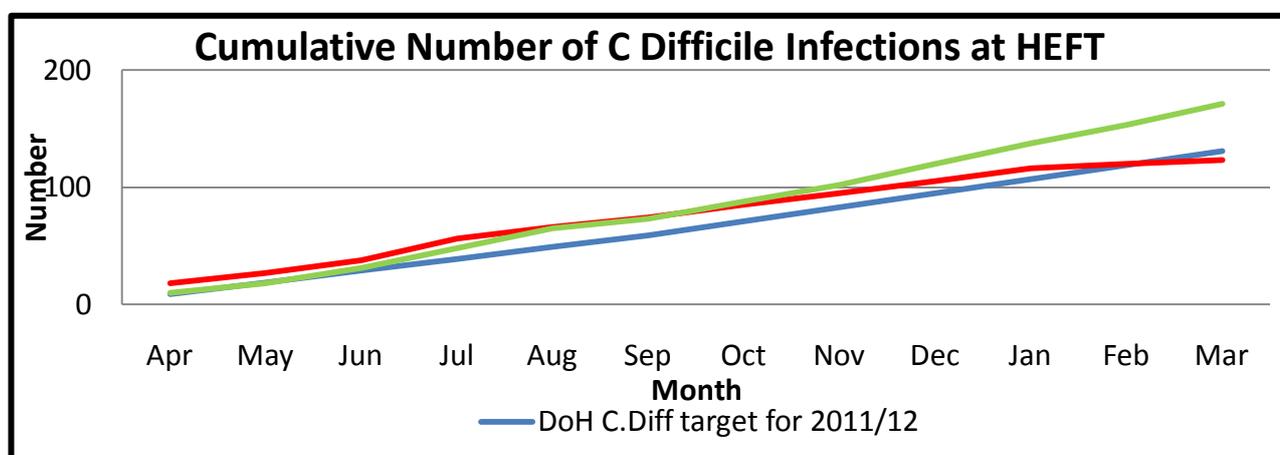
Acute Services:

Although the Trust narrowly missed achieving the MRSA reduction trajectory, it has continued to demonstrate a reduction in post 48 hours MRSA bacteraemia during 2011/12. Eight bacteraemias were recorded, against a target of 7 (compared to 9 against a target of 14 in the previous year).



Despite a very challenging target, the Trust were successful in achieving the C.difficile trajectory. As at 31st March 2012, there have been 123 cases, this compares to the target of no more than 131.

The diagnosis of C.difficile was changed in September 2011 as recommended by SHA to dual test method. This was also associated with the change in reporting and all polymerase chain reaction (PCR) positives were reported on to the National Data Capture System. In February and March another reporting change was made to include PCR positives which are also toxin positives. This change was agreed by the Strategic Health Authority.



During the year the infection prevention and control team have focused training on C.difficile management.

Progress - The Infection Prevention and Control team has continued an active teaching and audit programme. There has been a good overall improvement of audit scores particularly in the Saving Lives audit programme, hand hygiene and commode cleanliness. Infection control scores on the nursing metrics have also improved. The team continue to be involved in the considerable number of new build and refurbishment programmes during the year particularly on the Good Hope site. Compliance with MRSA screening continues with approximately 90% now reported for emergency admissions on a matched patient basis (this is recognised to be the most accurate reporting system although technically difficult). Full compliance is reported for elective admissions.

Innovation – As part of E.coli bacteraemia surveillance the team has developed and is currently piloting a health economy catheter passport to improve the management and reduce infection in catheterised patients.

The team completed a successful research funded project using adenosine tri phosphate (ATP) measurements of cleanliness in wards having a period of increased incidence of C.difficile. Results will be published later in the year. The process has been implemented as part of the Trust C.difficile reduction initiative.

In collaboration with the orthopaedic directorate, a temporary research nurse was appointed this year (with commercial sponsorship) to monitor infection after orthopaedic surgery. This included detailed post discharge follow up assessment of potential benefits of an improved skin preparation technique.

The team and antibiotic pharmacist also took part in the European point prevalence study of hospital acquired infection at the Good Hope site. When data is published in April 2012 we will be able to benchmark against other European hospitals which took part for both healthcare acquired infections and antimicrobial prescribing.

In collaboration with MIDRU and the Virology department, the team started a research study in January examining alternative specimen collection to detect norovirus outbreaks. The aim of this study (funded by in house winter pressure money) is to improve the speed by which norovirus outbreaks can be confirmed.



Solihull Community Services:

The dedicated Infection Control Operational Committee supports reviewing, preventing and improving infection control across Solihull Community Services. The committee is made up of a mixture of clinical professionals and infection control experts.

For the past two years Solihull Community Services has had no reported cases of MRSA or C. Difficile.

Solihull Community Services also continued to achieve 100% compliance in screening this year, as was the case in the previous two years.

Mortality statistics:

The Trust has monitored its monthly mortality rate using the Hospital Standardised Mortality Rate (HSMR) which is provided by Dr Foster over a number of years.

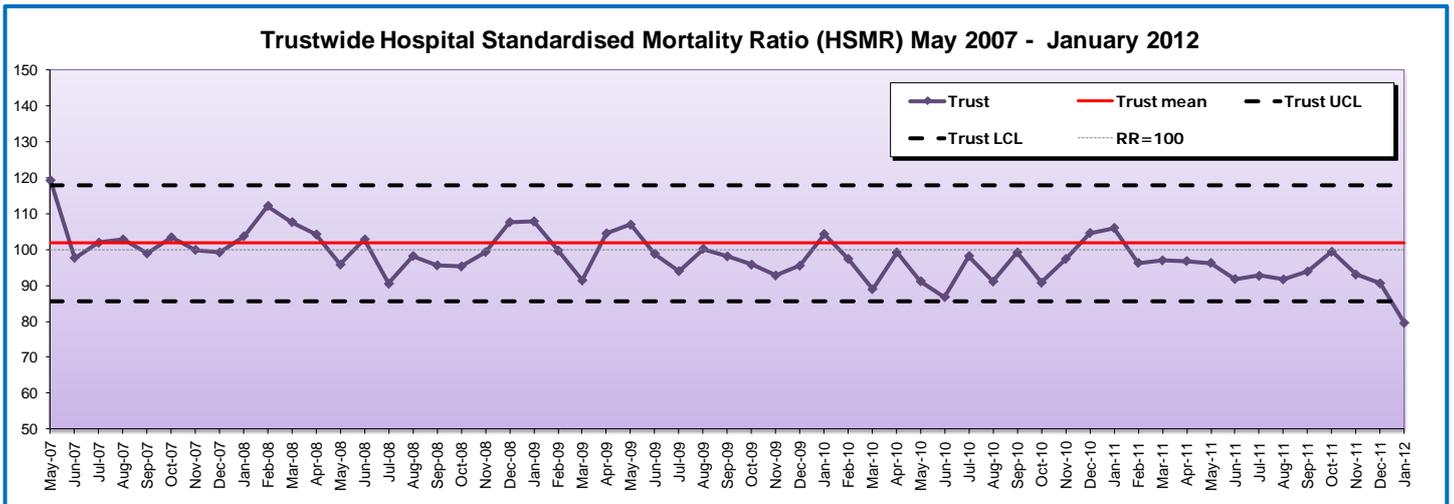
From October 2011 a new mortality indicator was produced and is to be published quarterly by the Health and Social Care Information Centre. The summary hospital level mortality indicator (SHMI) is different to the HSMR in that in addition to counting deaths in hospital it also counts deaths 30 days after discharge and includes death from all diagnoses as opposed to 80% of diagnoses used to calculate the HSMR.

Both HSMR and SHMI are based on a ratio of the observed number of deaths in a Trust over a period of time divided by that expected, given the characteristics of the patients treated by the Trust. SHMI is reported using 1 as the baseline as opposed to 100 for HSMR.

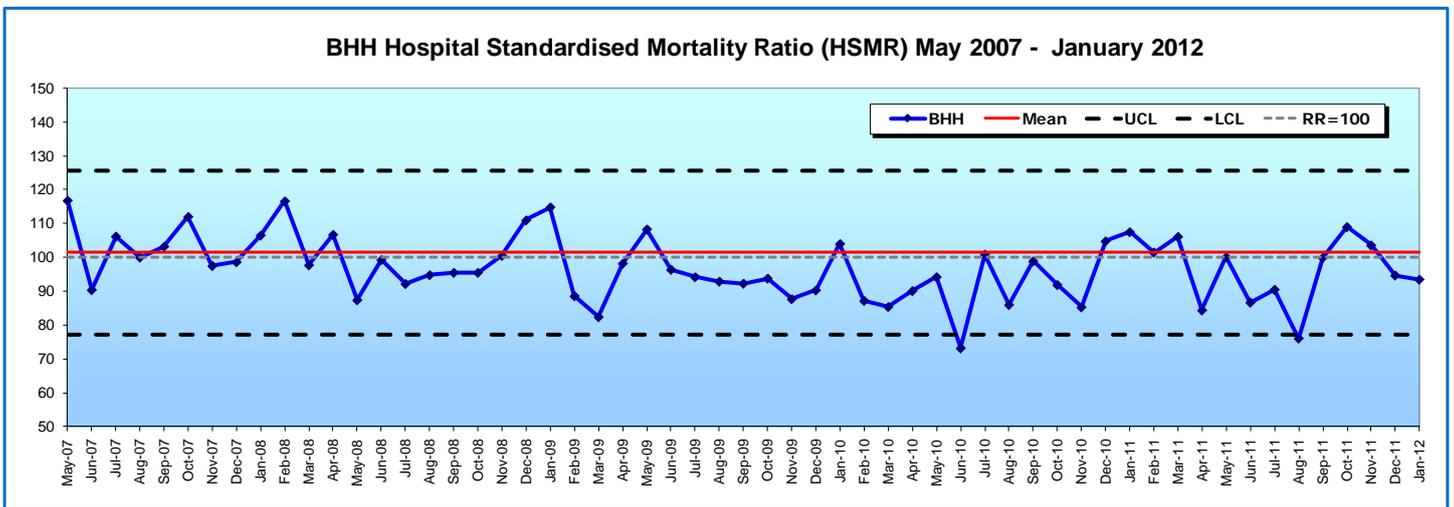
The SHMI covers a 12 month period but 6 months in arrears. HSMR is available 3 months in arrears as monthly, year to date accumulative and annual HSMR.

The trends in HSMR for the Trust and by site are shown below demonstrating natural monthly variation and a progressive downward trend at BHH and GHH. Our HSMR for the year to date is now below the national average which is always 100.

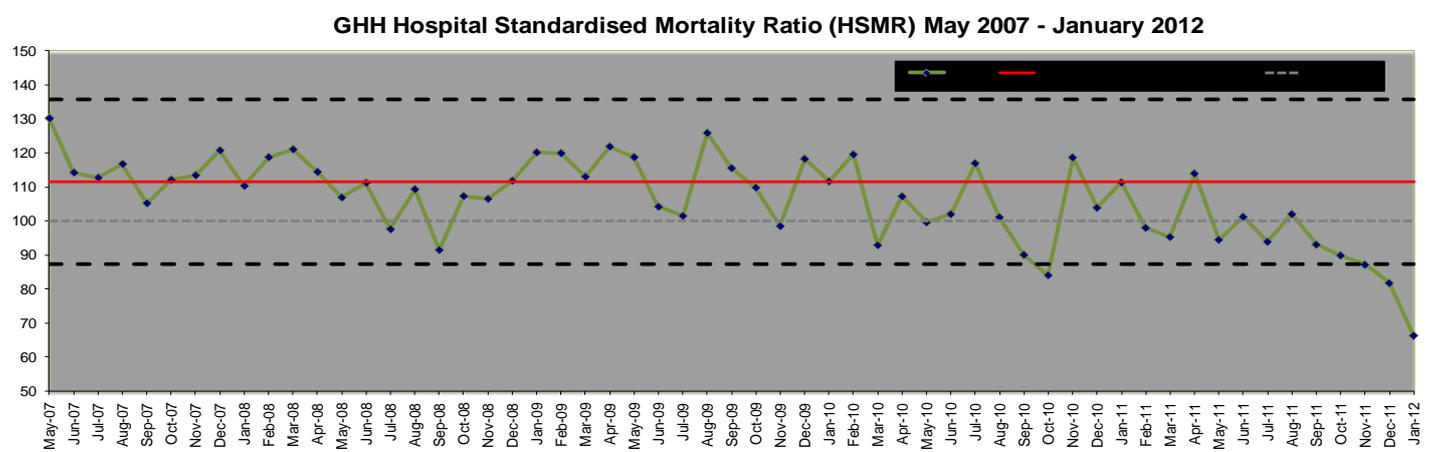
Graph 1: Trustwide HSMR



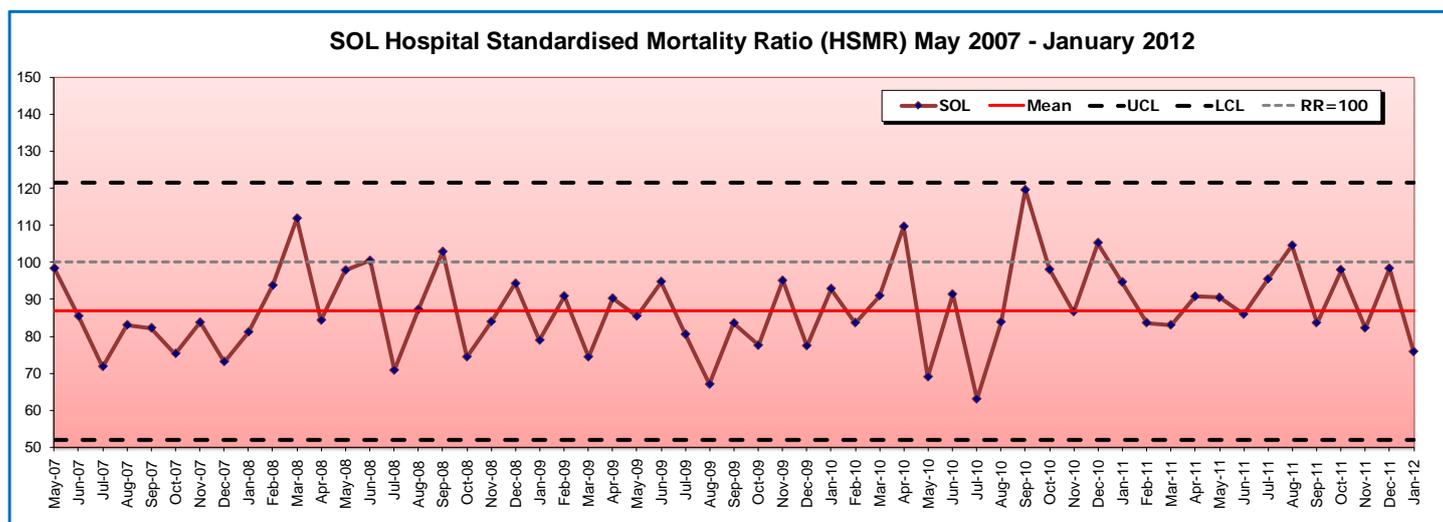
Graph 2: BHH HSMR



Graph 3: GHH HSMR



Graph 4: SH HSMR



Please note that the “Mean” value on all 4 graphs has been set to the mean of the first 20 months’ values on each chart.

SHMI (summary hospital level mortality indicator)

One SHMI value is calculated for each trust. The baseline SHMI value is 1. A trust would only get a SHMI value of 1 if the number of patients who die following treatment there was exactly the same as the number expected using the SHMI methodology. The SHMI indicator gives an indication of whether the mortality ratio of a provider is as expected, higher than expected or lower than expected when compared to the national baseline (England).

The SHMI values are categorised into one of the following three bandings:

- 1 – where the trust’s mortality rate is ‘higher than expected’
- 2 – where the trust’s mortality rate is ‘as expected’
- 3 – where the trust’s mortality rate is ‘lower than expected’

The first three published SHMI figures place the Trust within the “as expected” band for mortality.

- October 2011 = 1.0317 (relates to patients admitted during the period April 2010 – March 2011)
- January 2012 = 1.0407 (for the period July 2010- June 2011)
- April 2012 = 1.0203 (for the period Oct 2010- Sept 2011)

Both the SHMI and HSMR require careful interpretation, and should not be taken in isolation as a headline figure of trust performance. It is best treated as a 'smoke alarm'. They are an indication of whether individual trusts are conforming to the national baseline of hospital-related mortality. All trusts are encouraged to explore and understand the activity which underlies their SHMI and HSMR from their own data collection sources.

It should be noted that there is a difference between the two indicators with our HSMR being within expected range but below the national average of 100 and the SHMI being within the expected range but above the national average. The Trust is undertaking further analysis to explore the possible reasons for this and this may help us to identify areas for focused improvement.

In September 2011 we received notification that an analysis undertaken by CQC had indicated a significantly higher mortality rate at our Trust for emergency admissions with the diagnosis coded category of HRG H41 (sprains, strains or minor open wounds aged over 69 or with complications or comorbidities). They advised that this healthcare resource group HRG H41 would not necessarily reflect the cause of death for these patients from April 2010 – March 2011 but requested the Trust to review. A review and analysis of these cases has been undertaken and CQC are currently considering the response.

PATIENT EXPERIENCE

Acute Services:

In part 2 we provided an update on one of our key priorities to continue improving patient experience. The Trust remains committed to listening to patients, their relatives and carers to improve further the quality of services provided. This includes building on last year's initiatives to capture the experience of patients, their families and other users across the majority of services.

Corporate Nursing:

Over the last six months, the senior nursing and midwifery team has trialled a new approach for the monitoring and improvement of nursing and midwifery performance to enable a more robust assurance position to be given to the organisation.

Chaired by the Trust's Deputy Director of Finance and Deputy Chief Nurse, the Nursing and Midwifery Performance Committee is based on the Trust Finance and Performance Committee and has met monthly. A ward performance dashboard has been developed with overarching scorecards for all sites. The Head Nurses and the Head of Midwifery report to the Committee when progress is outside what is expected.

This is following on from the work that has been carried out over the last couple of years with nursing metrics which were detailed in last year's Quality Account. Below are some examples of continued improvements in Trust wide nursing performance since the implementation of the metrics system:

- Overall trust wide pressure ulcer prevalence has seen a steady decrease and has dropped from 3.22% (January 2011) to 2.74% (December 2011).
- The percentage of severe hospital acquired pressure ulcers (grade 3 and above) has reduced from 0.72% (January 2011) to 0.27% (December 2011). This equates to just 4 patients in the Trust.
- The Metrics Nursing Care Indicators for Tissue Viability Assessments has improved from 91% in October 2011 to 92% in December 2011.
- The use of hospital inserted urinary catheters has continued to reduce each quarter from 12.28% in September 2010 to 10.56% in December 2011
- The Metrics Nursing Care Indicators for Continence Assessments has improved from 93% in July 2011 to 95% in September 2011
- The falls rate for inpatient falls has decreased from 11.5 in Quarter 4 2010/11 to 10.8 in Quarter 3 2011/12.
- The Metrics Nursing Care Indicators for Falls Assessments has improved from 92% in October 2011 to 95% in December 2011.

An example of a ward performance dashboard:

	Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011	Jun 2011	Jul 2011	Aug 2011	Sep 2011	Oct 2011	Nov 2011	Dec 2011	Jan 2012	Feb 2012
Medication Storage and Custody	↑ 94%	↓ 91%	↓ 90%	↑ 91%	↑ 94%	↓ 93%	↓ 90%	↑ 94%	↑ 96%	↑ 97%	↑ 98%	↓ 97%	↑ 97%	↑ 97%
Infection Control & Privacy & Dignity	↑ 93%	↓ 92%	↑ 95%	↓ 94%	↓ 93%	↑ 94%	↑ 95%	↓ 93%	↑ 95%	↑ 95%	↓ 94%	↑ 95%	↓ 94%	↑ 95%
Patient Observations	↑ 90%	↓ 89%	↑ 92%	↓ 91%	↑ 91%	↓ 91%	↓ 91%	↑ 93%	↓ 93%	↓ 91%	↑ 92%	↓ 92%	↑ 93%	↓ 91%
Pain Management	↑ 95%	↑ 96%	↑ 97%	↓ 96%	↑ 96%	↓ 94%	↑ 95%	↑ 96%	↑ 96%	↓ 95%	↑ 97%	↑ 98%	↓ 97%	↑ 97%
Tissue Viability	↑ 88%	↑ 89%	↑ 94%	↓ 93%	↓ 91%	↑ 93%	↓ 92%	↑ 93%	↑ 94%	↓ 92%	↑ 94%	↓ 91%	↑ 93%	↓ 92%
Nutritional Assessment	↑ 85%	↑ 88%	↑ 89%	↓ 89%	↑ 91%	↓ 91%	↓ 89%	↑ 92%	↓ 91%	↓ 90%	↑ 92%	↓ 89%	↑ 93%	↓ 92%
Falls Assessment	↑ 89%	↑ 90%	↑ 93%	↓ 92%	↓ 90%	↑ 92%	↓ 92%	↑ 95%	↑ 96%	↓ 93%	↑ 95%	↓ 93%	↑ 94%	↓ 94%
Continence Assessment	↓ 78%	↑ 86%	↑ 89%	↓ 87%	↓ 86%	↑ 91%	↓ 90%	↑ 91%	↑ 93%	↓ 89%	↑ 94%	↓ 91%	↑ 93%	↑ 94%
Diabetes	↓ 65%	↓ 64%	↑ 81%	↓ 76%	↓ 75%	↑ 81%	↑ 86%	↓ 81%	↑ 83%	↓ 77%	↑ 87%	↓ 87%	↑ 88%	↑ 89%
Total	↑ 88%	↑ 90%	↑ 93%	↓ 92%	↓ 91%	↑ 92%	↓ 92%	↑ 93%	↑ 94%	↓ 92%	↑ 94%	↓ 93%	↑ 94%	↓ 94%

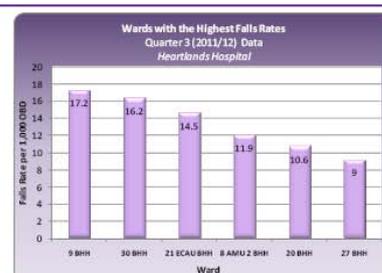
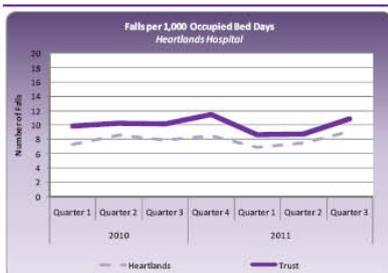
An example of a scorecard:

Corporate Nursing Business Planning
Quarter 3 (October to December 2011)

Staying Safe
Heartlands Hospital



Metrics: Nursing Care Indicators – Falls Assessment							95% - 100%	85% - 94%	0% - 84%
Criteria	Previous Qtr	Oct-11	Nov-11	Dec-11	This Qtr	Action Planning			
A. The patient receives a falls risk assessment on admission to the Trust if over the age of 65 or if the patient has a history of falls.	99%	99%	100%	100%	100%				
B. The assessment is dated and signed by the assessing staff member.	94%	92%	96%	95%	94%				
C. Trust care plan to minimise the risk of falls is evident for the patient if assessed as being at risk.	88%	86%	88%	90%	88%				
D. A further assessment is undertaken at least weekly for the patient if identified as being at risk.	88%	87%	90%	91%	89%				
E. A bedrail assessment is undertaken on the patient if identified at risk and / or using bedrails.	88%	87%	91%	85%	88%				
F. Manual Handling	99%	95%	99%	100%	98%				
TOTAL	94%	92%	95%	95%	94%				



Nursing Metrics:

- Issues around implementation / use of the falls prevention care plan and the completion of bed rails assessments.

Completion of RCAs:

- There are 3 uncompleted RCAs for BHH as at 31/12/11.

Areas of Concern:

- Falls Co-ordinator to meet with Ward Managers / Matrons for areas to identify any trends / increased risk – BHH Wards 9, 8 AMU 2 and 30.

RCAs		No of RCAs: 27
RCAs Completed	20	No of Days Outstanding at 31/12/2011
RCAs Not Completed	3	Incident Date 16/07/11: 168 Days
		Incident Date 16/08/11: 137 Days
		Incident Date 16/09/11: 106 Days
Unknown	4	

Indicator Management:

- Clinical monitoring period – Monthly
- 10 patients from each ward
- Monthly reports to Ward Managers / Matrons
- Reports to Nursing Performance Committee



Complaints Management:

“You have the right to:

- Have your complaint dealt with efficiently and properly investigation;
- Know the outcome of any investigation into your complaint;
- Take your complaint to the independent Parliamentary and Health Service Ombudsman if you are not satisfied with the way the Trust has dealt with your complaint;
- Make a claim for judicial review if you think you have been directly affected by an unlawful act or decision of an NHS body, and;
- Receive compensation if you’ve been harmed.” (NHS Constitution)

	2011/12	2010/11	2009/10
Complaints Received	839	1011	992
% change in year	-20.5%	+1.9%	+14%
Response within deadline	73.95%	71.7%	52.4%
Complaints referred to PHSO in year	17	22	82

The Complaints and PALS team were merged (in January 2012) which enabled there to be a Patient Services function providing a manned telephone and appointment service for complainants between the hours of 9am – 5pm (Monday – Friday). In addition, all calls are recorded for monitoring and training purposes providing an accurate record of all concerns, queries and any agreed actions.

Compliments:

Compliments are recorded and monitored by the Survey Team on behalf of the Trust. A selection of comments received are summarised below:

“I spent nine days on ward 11 at Heartlands, the nurses and staff were so helpful and polite. The food was good and always served hot, this made my stay in hospital a pleasant experience.” (Ward 11 – April 2011)

“Excellent communication between nurses and doctors ... always treated with respect and I felt confident I was in safe hands.”(Outpatient – May 2011)

“I have noticed all the hard work that everyone puts into the department... you have done a wonderful job.”(Outpatient – May 2011)

“All of the staff was very polite, doctors nurses and cleaners. The staff spoke on the same level as myself which is very important – none of them talked down to me” (Inpatient – July 2011)

“The standard of nursing on the ward was good I was particularly impressed with theatre staff who were friendly, helpful and attentive ...very impressed (Inpatient - August 2011)

“One visit to outpatients is not a basis to recommend a particular hospital in general. So reference my experience I was treated with respect, courtesy and was very happy with the professional way I was dealt with.” (Ophthalmology OPD - December 2011)

“My care at Heartlands on ward 24...I could not have been treated better. The doctors and the staff were great.” (Ward 24 – May 2011)

“I have been attending Good Hope for the last 20 months, the care and attention I have received has been second to none, right from reception at A&E up to wards. There have been a couple of

hitches, but they were sorted out right away. I always say things can and will always go wrong, it's the way they are put right that counts. I have always been treated with care and respect. The staff are under a lot of strain, but I have found they cope very well and always have a smile. I had a short stay as an inpatient everyone was wonderful.” (Physio & Trauma Clinic – December 2011)

“I found the clinic well organised and was seen quickly, initial check by nurse, then more detailed examination by senior nurse who was thorough and reassuring the whole appointment was completed in around 30 - 40 minutes.” (Glaucoma Clinic – December 2011)

Quality Improvement Comments:

The team also receive a considerable amount of quality improvement comments from patients and relatives via the Patient Experience Survey (PES). This survey is sent to 200 random patients each month and all of the comments are recorded in a database and fed back to relevant teams.

Below is a recent example for the Solihull Breast Clinic:

Date	Site	Description	Location	Specialty
26-Jan-2012	SH	Breast clinic, we were informed delay was due to meetings that are held each Thursday, consultants did not arrive until 3.30, clinic start at 2pm, my first appt was 2.15pm we expressed our concerns to staff. After this staff member went back to others to say we were complaining, we were given a number to contact. It took ages to put up a delay sign (1 hour 15 minutes).	Outpatient Dept	General Surgery
24-Jan-2012	SH	Breast Clinic - over 2 hours late on two occasions, no one told you or explained why, very poor.	Mammo-graphy	General Surgery

Reschedule Breast Clinic at Solihull:

1. The clinic is running on average 2 hours over the time the nurses should finish duty, we cover this with time owing. (Nurse OPD)
2. We need to redesign Thursdays. Move some of these patient to another - FU, Results etc. (Clinical Director General Surgery and Gastroenterology)
3. The fast track clinics should have a completely dedicated slot. Spread the post op results and new results in the follow up clinics. There is a need of another clinic (can be nurse-led) especially

looking into young patients (under 30's) non-fast track clinics. All over 30's should attend fast track clinics. We also have older patients in non fast track clinics complaining about not having their imaging on the same day. (Specialist Registrar General Surgery)

PPI Surveys 2011-12

The Survey Team conduct surveys on behalf of wards and departments across the Trust and are summarised as follows:

No	Title	Sample	Response	Compliments	Improvement
1	National Outpatient Survey	850	378	151	83
2	National Inpatient Survey	850	349	160	104
3	Bereavement Survey	1,000	472	236	213
4	Patient Experience Survey (PES)	8,000	2,575	676	756
5	Inpatient Metrics Programme	21,160	7,232	None	
6	Discharge Survey	1,257	545	45	63
7	Anaesthesia (Gynaecology) Survey	60	37	None	
8	Immunology Survey	50	44	None	
9	Retinopathy Survey	3,000	1,565	201	179
10	Paediatrics Assessment Unit (PAU)	200	74	19	5
11	Ward 12	100	17	6	4
12	Ward 24	100	20	4	2
13	Infection Control	100	9	9	
14	Corporate Affairs Survey (Online)	500	331	15	59
15	Dermatology Survey (Mohs Treatment)	118	97	40	19
16	Stoma Survey	150	39	8	2
17	Paediatrics Inpatient Survey (Online)	500	270	None	

18	Cardiac Rehabilitation Survey	100	56	11	10
19	Anaesthesia Quality Audit	600	478	None	
20	Critical Care Practitioner	100	62	17	1
20	Total	38,795	14,650	1598	1500

The Trust has significantly increased the number of patients given opportunities to share views on the quality of their care, most notably, through the Patient Metrics Programme.

Comparison of patients surveyed and quality comments between 2011-2012							
Year	Patients sampled	Total responses		Total compliments		Total improvement	
		n	%	n	%	n	%
2011/2012	38,795	14,650	38%	1,598	52%	1500	48%
2010/2011	16,325	5,044	31%	1,632	51%	1,588	49%

The feedback the Trust receives from patients, relatives and carers are used to improve the services the Trust provides:

Survey	Improvement area	Action
Elderly Care (Ward 12)	Relatives want to be more involved with patient care – a lot of patients lack capacity and are unable to help us understand about them.	<p>Ward 12 is launching “About Me”. This can help ensure the patients’ individual needs and likes are known and hopefully this will make their time in hospital more pleasant but may also facilitate their discharge by helping us understand what is normal for them.</p> <p>A (band 2) Health Care Assistant (HCA) is to lead on this as she is passionate about care of patients with dementia, supported by a (band 6) Sister.</p> <p>The HCA is also trialling reminiscence therapy using supplies bought from funds given to us by the league of friends. This will help with the patient experience by not only providing stimulation to some of the</p>

		patients but ensuring that the other patients and nursing staff have more time for each other by taking some patients off the ward and into the dayroom for a short period.
Gynaecology & Maternity Services Update	Women left alone during labour and perception units short staffed.	<ol style="list-style-type: none"> 1. In-patient Gynaecology has a new ward BHH – Ward 1, completely refurbished and reconfigured to the design of the Gynaecology team: <ol style="list-style-type: none"> a. 15 in-patient beds b. A new side-room with en suite facilities for miscarriage management c. A 12 hour area for rehydration in cases of hyper emesis d. Gynaecology emergency assessment unit, with ultrasound scan facilities 2. A newly refurbished gynaecology theatre (theatre 6) to support the in-patient beds 3. Refurbishment of the Antenatal clinic waiting rooms at Good Hope Hospital and Solihull Hospital 4. Creation of a flexible capacity bay (four beds) to alleviate times of highest demand – Birmingham Heartlands Hospital maternity 5. Refurbishment and extension of the midwifery led unit at Good Hope Hospital – two pools and complete refurbishment. 6. Elective caesarean sections on the labour ward at Birmingham Heartlands Hospital were always being cancelled for emergency cases. Now the Trust has a dedicated elective theatre and theatre team so they can be done as scheduled and it is much more organised. The Trust is in the process of doing the same at Good Hope Hospital.
Bereavement Survey (Ongoing Annual Survey)	Trustwide 13% of relatives rate communication as 'poor' 21% of relatives not informed about patient's decline	<p>The Trust's Faculty of Education now offers a comprehensive programme to medical staff, the seven modules on End of Life Care include:</p> <ul style="list-style-type: none"> • End of Life Care: Introduction to End of Life Care - Single Study Day • End of Life Care: Communication and Bereavement - Single Study Day • End of Life Care: Degree Module • End of Life Care: Management and Evaluation of

		<p>End of Life Care - Single Study Day</p> <ul style="list-style-type: none"> • End of Life Care: Models of End of Life Care - Single Study Day • End of Life Care: Simulation Training for Hospital Nurses • End of Life Care: When A Patient Dies - Single Study Day
Discharge Survey	The Trust's patients experiencing delays during discharge significantly higher than national average	<p>The 'Jonah' programme is a national initiative which has been developed using principles of Lean, Six Sigma and Theory of Constraints, all of which support effective operational management. A key feature has been visual management to ensure the planned patient journey is visible, along with their progress. There is a heavy emphasis on coaching to develop leadership, improvement and problem solving skills at ward level.</p> <p>The aim of 'Jonah' is to provide safe and timely care as planned by the multidisciplinary team. Experience has shown this will reduce length of stay and increase the number of patients who are discharged as planned each day.</p> <p>At ward level it focuses on individual patients and engages the multidisciplinary team in setting and delivering a Planned Date of Discharge. The focus is on defining clear plans for the patient's stay on the ward. This is supported by an infrastructure of daily buffer meetings and the opportunity to escalate and resolve problems and delays. Some constraints will be external to the Trust. These will be resolved through a process of escalation with external providers.</p> <p>There is a clear emphasis on developing a culture which ensures delays are highlighted and solved without blame thus ensuring a focus on ward / unit based problem solving.</p>
Retinopathy Survey	Reaching patients with education for screening. Heart of Birmingham and Birmingham East	<ul style="list-style-type: none"> • Community Initiatives: Working with multi-disciplinary health care professionals who lecture on diabetic eye disease to local groups/ providing education support to empower patients. The first seminars are being rolled out. • Improving Education Information for GP medical centres.

	and North are the two hotspots for social deprivation and lack of education producing higher 'Did Not Attend' rates	<ul style="list-style-type: none"> • The importance of eye screening local radio information adverts. • A low budget community video may easily be produced via the Trust Medical Illustration Dept to encourage people to attend their eye screening treatment appointments reducing patient's fears.
Cardiac Rehabilitation	Patients thought the rehabilitation sessions were being held in inappropriate rooms	Staff relocated the session to the lecture centre in the Solihull Education Centre
Immunology Survey	Availability of warm refreshments for patients	Warm drinks are now available during treatments (cold drinks have always been available). The Trust now has implemented a "Tea & Coffee" round which has gone down extremely well. A future development is the implementation of evening treatment clinics for those who work full time

Solihull Community Services:

Results of satisfaction survey

The following graph illustrates the responses for 2011-12 from the patient satisfaction surveys across services. It demonstrates that the majority of service users have given positive feedback; any indication of negative feedback is followed up with the service in question for review. Some examples of how Solihull Community Services responded to feedback received are detailed further on in this Quality Account.

Solihull Community Services will continue to seek feedback from its patients and will be looking to develop a similar method for seeking feedback from carers, different client groups and '*hard to reach patients*'.

Patient satisfaction feedback 2011- 2012

Solihull Community Services also continues to review the number of clinics cancelled and the number of patients affected. Reasons cancellations are reviewed at service Quality and



Performance forums and by the Divisional Management Team. This information is also reported to lead Commissioners.

Solihull Community Services has maintained an average of 2% of clinics cancelled which compares with last year's figure of 2%. Solihull Community Services will continue to review and monitor our clinics locally and through our governance arrangements.

Complaints and Compliments:

Solihull Community Services actively monitors compliments and complaints received. Solihull Community Services has worked towards service managers having an insight of the types of complaints and the responses sent to patients and their carers for their service. Information about complaints, compliments and Patient Advice Liaison Service queries are reviewed at service Quality and Performance meetings, and are reported via the Quality and Safety dashboard.

Solihull Community Services continues to collect feedback from service users around experience and satisfaction of the care they received. Following are examples of some of the positive comments as well as improvements which we have made as a result of negative comments. These are shared with staff, managers and executive leads. Comments are reviewed by service managers and action plans for improvement are implemented where appropriate.

Positive feedback:

"I am writing to express my sincere thanks to you and your team for the care given and the help and guidance shown to myself and family during the last few weeks. You were such a help to us when we needed you most."

Service user comment about the Macmillian Service

"Informative, friendly and reassuring consultation and IUD check. They did not rush me and helped me to make the decision on the most appropriate contraception for me."

Service user comment about the Contraceptive and Sexual Health Service

"Thank you very much for the wonderful care I have received whilst I have stayed with you. Thanks."

Service user comment about the Single Point of Access and Intermediate Care Services

"We just wanted to thank you for all the wonderful care and consideration you showed Mum and the family. Your support was much appreciated at our difficult time."

Service user comment about the Integrated Locality Team Service



“I realise I am very lucky to be helped by this service. It has improved my quality of life immensely.”

Service user comment about the Continence Service

“Very professional service driven by desire to improve quality of life...I was having private aids but now will stay with NHS.”

Service user comment about the Audiology Service

“The service has been available and has supported me to enhance my son’s dental health.”

Service user comment about the Dental Service

“Very friendly staff. Dentist was knowledgeable, friendly and understanding, staff very helpful. Daughter felt very welcome and happy to be here. Thank you. Keep up the good work.”

Service user comment about the Dental Service

“The staff were very thorough in producing information and trying to find the best solution for me. They tried hard to get me an appointment asap.”

Service user comment about the Dental Service

“Excellent team, very friendly - helpful.”

Service user comment about the Children’s Community Nursing Team Service

Examples of how Solihull Community Services has made improvements following negative feedback:

Patient safety – supporting hand hygiene – feedback from responses to hand hygiene were shared with the Infection Control Team and with the suggestion that improvements could be made. The team planned awareness sessions with staff and service users. This reinforced the message of the importance of good hand hygiene. Staff infection control training and hand hygiene related resources in clinics were also reviewed. The Essential Steps clinical audit which supports infection control standards - including hand washing - is undertaken throughout the year.

Patient expectations – One service received negative feedback from a service user who was dissatisfied with the care they received and suggested that the care was not what they expected. The service lead reflected on the feedback and has now introduced care action plans as a standard part of the service’s reporting process. This will help support and understand the expectations

and outcomes the service user has at an early stage alongside what the service is able to deliver. This supports delivering a more effective service and improves patient experience.

DEPARTMENT OF HEALTH OPERATING FRAMEWORK

During 2011/12 the Trust has continued to respond to the NHS operating framework targets:

Earlier in this Quality Account an update has been provided on our performance and commitment to reducing healthcare associated infections;

The Trust continues to review the services that we provide, and the systems and processes that support them, in order to ensure that they are accessible to patients as the Trust recognises that providing timely access contributes to a positive patient experience;

The Trust is committed to working with other healthcare organisations to improve health and reduce inequalities. This document also provides an update on our stroke service and the processes the Trust has in place for risk for assessing of VTE, ensuring staff have up to date mandatory training as well as improving patient experience.

Our priorities for the coming year focus on reducing patient falls, pressure sores, improving the clinical outcomes of patients with fractured neck of femur and looking at the fundamentals of care. This specifically looks at pain management, communications, privacy & dignity and nutrition.

The Trust is committed to improving the patient experience through patient and staff engagement. Earlier in this document an update was provided on key initiatives that have taken place in year for obtaining feedback from patients. Improving patient satisfaction has been retained as a key quality priority for 2011/12.

The Trust has comprehensive emergency planning arrangements in place. These plans are regularly tested with colleagues in the wider health economy.



LOCAL AND NATIONAL PRIORITIES

Description of Target	Target	10/11	11/12
Reduction of incidence of Clostridium (post 48 hours) *	131	171	123
Reduction of incidence of MRSA bacteraemia (post 48 hours)	7	9	8
Patients first seen by a specialist within 2 weeks when urgently referred by their GP or dentist with suspected cancer. Month in Arrears	>=93%	94.04%	94.62%
Patients first seen by a specialist within 2 weeks when urgently referred by their GP with any breast symptom except suspected cancer. Month in arrears	>=93%	94.81%	94.74%
Patients receiving their first definitive treatment within 1 month (31 days) of a decision to treat (as a proxy for diagnosis) for cancer. Month in arrears	>=96%	98.62%	97.33%
Patients receiving subsequent treatment (surgery and drug treatment only) within 1 month (31 days) of a decision to treat – Anti cancer drug modality. Month in arrears	>=98%	100%	100%
Patients receiving subsequent treatment (surgery and drug treatment only) within 1 month (31 days) of a decision to treat – Surgery modality. Month in arrears	>=94%	98.43%	97.57%
Patients receiving their first definitive treatment for cancer within 2 months (62 days) of GP or dentist urgent referral for suspected cancer.	>=85%	85.62%	85.44%
Patients receiving their first definitive treatment for cancer within 2 months (62 days) of urgent referral from the National Screening Service. Month in arrears **	>=90%	99.44%	98.14%
Referral to treatment waiting times – admitted (95 th percentile)	≤23 weeks	NA	21.57
Referral to treatment waiting times – non admitted (95 th percentile)	≤18.3 weeks	NA	15.48
Maximum waiting time of 4 hours in A&E from arrival, to admission, transfer or discharge	>=95% target	95.41%	95.97%
Self certification against compliance with requirements regarding access to healthcare for people with a learning disability	Meeting 6 out of 6 criteria	6 out of 6	6 out of 6

- *CDiff:

A positive case for the indicator is as follows:

- Patients aged 2 or more
- A positive laboratory test result for CDI recognised as a case according to the Trust's diagnostic
- Positive results on the same patient more than 28 days apart should be reported as separate episodes, irrespective of the number of specimens taken in the intervening period, or where they were taken.
- The Trust is deemed responsible. This is defined as a case where the sample was taken on the fourth day or later of an admission to that trust (where the day of admission is day one).

In terms of the Toxin/PCI (carrier CDIFF cases) specifics, the Trusts started from April 2011 reporting just toxin figures. From September 2011 the Trust started including PCI cases in their reported figures also. There was a further change in the reporting of CDIFF cases in February. The Trust reverted back to reporting just toxin cases. The Trust agree this approach with the SHA as per emails.

- ** 62 day cancer wait:

- The indicator is expressed as a percentage of patients receiving first definitive treatment for cancer within 62 days of an urgent GP referral for suspected cancer;
- An urgent GP referral is one which has a two week wait from date that the referral is received to first being seen by a consultant
- The indicator only includes GP referrals for suspected cancer (i.e. excludes consultant upgrades and screening referrals and where the priority type of the referral is National Code 3 – Two week wait)
- The clock start date is defined as the date that the referral is *received* by the Trust
- The clock stop date is the date of first definitive cancer treatment



Who did we involve?

In preparing this Quality Account, the Trust has consulted widely, with a range of internal and external stakeholders:

Governors Forum: The Trust Council of Governors has a Quality and Safety Committee with a specific focus on Quality and Safety issues. The Quality and Safety Committee met for the first time in October 2011, with meetings in November 2011, December 2011 and February 2012. This group has received regular updates and presentations regarding progress with the existing priorities outlined in the Quality Account, as well as providing input into the new priorities and selection of the local indicator to be reviewed by the external audit. The committee looked at the Venous Thromboembolism in greater detail this year.

Governors' Consultative Council (GCC): The draft Quality Account was circulated to Governors on the 24th April 2012 asking for comments. The final report was presented to the GCC on the 23rd May 2012.

Stakeholder consultation events: Local stakeholder groups, service users and the Trust's volunteers were invited by the Trust, to attend one of three half-day focus group workshops. To represent the communities served by the Trust's three hospital sites, the workshops were held in Solihull, East Birmingham and Sutton Coldfield.

Quality Account group discussions: Quality Account group sessions were held at three separate Day Centres organised by Age Concern Birmingham, representing older adults, people with dementia, their relatives and carers. A further session was held in the Small Health Community Centre to encourage attendances of black and minority ethnic residents.

Overview and Scrutiny Committee Meetings: On 13th March 2012 we attended the Solihull Overview and Scrutiny Committee to provide an update to them on the Quality Account process – and to obtain the view of the Committee on the proposed priorities. The final draft was circulated for comment on the 4th April.

LINKs: We attended the Solihull LINK committee meeting on the 2nd May to give a presentation on the final draft of the report

Lead Commissioner: This Quality Account was circulated to the lead commissioner, inviting comment, on the 4th April. Their response is included on page 65.

Staff: A number of Trust staff have contributed to the development of this report and provided information to be included in it. The project group, who have been tasked with the production of the report consists of Trust staff, and staff governors have had a direct input via the Governors Quality and Safety group. Selection of the Trust priorities has been lead by the Trusts external stakeholders, however, in 2012/13 we aim to work more closely with a wider range of staff representatives to influence the content of our next report.

PART 4: STATEMENTS FROM STAKEHOLDERS

Birmingham and Solihull NHS Cluster

The Birmingham and Solihull NHS Cluster, as lead commissioner, welcomes the opportunity to provide this statement for the Heart of England NHS Foundation Trust (HEFT) 2011/12 Quality Account. It is recognised that the Quality Account refers to both the acute and community services that are delivered by HEFT.

This statement has been developed in collaboration with key leads across the Birmingham and Solihull NHS Cluster. Having reviewed the content of the draft Quality Account in line with the Department of Health guidance we can confirm that it is accurate, balanced and fairly interpreted, and the range of services described and priorities for improvement are representative based on the information that is available to us. We have fed back to the Trust a number of specific comments in relation to the account and to plans for next year. We will continue to discuss and monitor responses to this feedback during 2012-13.

We support the Chief Executive's opening statement that highlights the organisational commitment to further strengthening the focus on quality and safety. We also recognise the Trust's key priority to continue to improve patient experience through building on the initiatives implemented during the year. We note the publication of information relating to quality and safety of services on the Trust web-site and reporting about quality and safety to the public session of meetings of the Trust Board.

The Birmingham and Solihull NHS Cluster leads a number of quality assurance processes, including a monthly Clinical Quality Review Group, that hold HEFT to account for the quality of services. The group formally reviews, without limitation, any issues or concerns about quality and safety and ensures implementation of any recommendations or requirements for improvement. In addition, commissioners have led unannounced and themed reviews during the year relating to infection prevention and control and the management of pressure ulcers. These reviews and a collaborative approach to ensuring required improvements support Cluster priorities to eliminate avoidable pressure ulcers and healthcare associated infections. We anticipate extending this review programme during the next contract year.

We welcome the triangulated report on patient experience, complaints and nursing metrics and the clear commitment to using patient feedback to drive improvements. We have, however, highlighted in our feedback to the Trust the need for further work to reflect an approach that places a greater emphasis on delivering improvement in practices and outcomes on the basis of learning from patient's feedback. This should include increased focus on reducing health inequalities and ensuring quality for all.

Although the Trust has made significant and visible progress in a number of priority areas there is still considerable need for further improvement. This is reflected in the on-going commitment to improving stroke services and in the stroke outcomes goal in the Trust CQUIN scheme for 2012-13. We support the Trust priorities for 2012-13 including reducing pressure ulcers and improving clinical outcomes for patients with fractured neck of femur. We note that specific areas for improvement

in 2012-13 include the requirements of the Information Governance toolkit with the data quality of clinical coding needing special attention.

As reported, the Trust narrowly missed achieving the MRSA reduction trajectory set for the year. There is a need to maintain a clear focus on infection prevention and control and to continue to engage with the commissioning infection prevention and control team in support of the health economy ambition of zero tolerance of avoidable healthcare associated infections.

Unfortunately during 2011-12 the Trust reported six serious incidents that are classified as 'never events'. Never Events are serious, largely preventable patient safety incidents that should not occur if the available preventative measures have been implemented. Full investigations of these serious incidents have identified recommendations for improvements to prevent recurrence. Detailed reports and improvement plans have been provided for commissioners and these are monitored through our Clinical Quality Review Group.

In summary, the Quality Account provides a balanced view of the Trust's achievements through 2011/12 and has set clear priorities for quality improvement in 2012/13. Given the challenges ahead and the changes in commissioning arrangements we look forward to strengthening our partnership with the Trust in collaborative approaches to delivering the quality agenda.

Consultative Healthcare Council

During the past year a lot has happened within Heart of England NHS Foundation Trust and keeping up with developments has been a challenge.

The arrival of a new Chief Executive, Dr Mark Newbold and Chairman, Lord Philip Hunt, have brought with them a new perspective of the workings in regard to each site. No longer is it, 'One Trust on 4 sites' but taking each hospital site on an individual basis, reflecting the need for change and reflecting the needs of its local communities. It is nice to know that both the Chief Executive and Chairman support the work we are doing.

For us, this year brings a new challenge in how we arrive at a method of monitoring the 30+

Solihull community services the trust have taken over. We have continued to invite trust professional to speak at our meetings to update on service provision within the trust, and answer the questions raised over service changes. Members have continued to carry out ward and directorate inspections and report their findings to the trust.

The big disappointment is that few of these reports have resulted in a response from the areas visited, and, having raised this with Lord Hunt he is looking at ways to ensure this takes place in the future. The members of the CHC have conducted numerous ward inspections over recent years and witnessed the many improvements, both in patient care, standards of cleanliness and infection control.

The number of wards which have been refurbished to an extremely high standard can only enhance the patient experience. Unfortunately, nothing has been done to improve the inadequate shower facilities, broken windows and general decor, repeatedly highlighted in our reports, on those wards which have still to be refurbished.

This year has seen the formation of the Governors Patient Experience Committee and the Consultative Healthcare Council will be working in partnership with them in monitoring services within the trust, and after a recent meeting with Sam Foster, Deputy Chief Nurse we will endeavour to plan our inspections to take on board each area of the Nursing Forward Planner so that our independent findings go into their reports.

Gerry Robinson [Chair]

Anne Horton [Vice Chair]

Solihull Local Involvement Network (LINK)

Solihull Local Involvement Network (LINK)'s role is to find out local people's views on NHS and social care services and to make recommendations for improvements. The LINK Management Committee received a presentation from the Heart of England NHS Foundation Trust (HEFT) regarding the Quality Accounts, and other members of the LINK also attended. The LINK welcomes the Quality Accounts, and we note that it provides a comprehensive, informative assessment of the work of HEFT. LINK members noted that they have seen improvements in services and in patient experience over the past year. Nevertheless, there are still areas of care where improvement is needed. In particular, LINK reports on patient experience produced in 2011 identified the need for improvements in Discharge from Hospital and in Maternity Services at HEFT. The LINK looks forward to continuing to work constructively with HEFT to ensure that the issues raised by local people are addressed.

LINK members have comments and queries about stroke services: for example, service users find that more support is needed for rehabilitation and long term care and also wish to promote the need for 24 hour access to CT scans in hospital. We will provide further information separately.

The LINK is pleased that Patient Experience has been a focus for HEFT and wishes to see this focus continue. As Solihull Community Services have recently joined HEFT, systems for collecting, monitoring and responding to patient experience data from Solihull Community Services need to be developed and integrated into HEFT.

The LINK supports the priorities for the Quality Accounts for the forthcoming year. However, we would like to know which patient groups were invited and contributed to the identification of these priorities, and we would like to ensure that Solihull LINK representatives are invited next year.

Directors Statement of Responsibilities

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 to prepare Quality Accounts for each financial year. Monitor has issued guidance to NHS foundation trust boards on the form and content of annual Quality Reports (which incorporate the above legal requirements) and on the arrangements that foundation trust boards should put in place to support the data quality for the preparation of the Quality Report.

In preparing the Quality Report, directors are required to take steps to satisfy themselves that:

- the content of the Quality Report meets the requirements set out in the *NHS Foundation Trust Annual Reporting Manual*;
- the content of the Quality Report is not inconsistent with internal and external sources of information including:
 - Board minutes and papers for the period April 2011 to June 2012;
 - Papers relating to Quality reported to the Board over the period April 2011 to June 2012;
 - Feedback from the commissioners dated 18/05/2012;
 - Feedback from governors, via the Governors Quality and Safety group in October 2011, with meetings in November 2011, December 2011 and February 2012;
 - Feedback from LINKs dated 09/05/2012;
 - The Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated May 2012;
 - The national inpatient survey June-August 2011 and the national outpatient survey May – October 2011;
 - The national staff survey 2011;
 - The Head of Internal Audit's annual opinion over the Trust's control environment dated 18/04/2012;
 - Care Quality Commission quality and risk profiles dated August 2011 – April 2012;
- the Quality Report presents a balanced picture of the NHS foundation Trust's performance over the period covered;
- the performance information reported in the Quality Report is reliable and accurate;

- there are proper internal controls over the collection and reporting of the measures of performance included in the Quality Report, and these controls are subject to review to confirm that they are working effectively in practice;
- the data underpinning the measures of performance reported in the Quality Report is robust and reliable, conforms to specified data quality standards and prescribed definitions, and is subject to appropriate scrutiny and review; and
- the Quality Report has been prepared in accordance with Monitor’s annual reporting guidance (which incorporates the Quality Accounts regulations) (published at www.monitor-nhsft.gov.uk/annualreportingmanual) as well as the standards to support data quality for the preparation of the Quality Report (available at www.monitor-nhsft.gov.uk/annualreportingmanual)).

The directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the Quality Report.

By order of the Board

NB: sign and date in any colour ink except black

.....Date.....Chairman

.....Date.....Chief Executive



Auditors limited assurance report

To be completed.

GLOSSARY

C Difficile	<i>Clostridium difficile</i> often called <i>C. difficile</i> or <i>C. diff</i> is a bacterium that can cause symptoms ranging from diarrhoea to life-threatening inflammation of the colon.
CEMACE	<i>Centre for Maternal and Child Enquiries</i>
CQUIN	<i>Commissioning for Quality and Innovation</i> - is a payment framework which enables commissioners of NHS services to reward excellence by linking a proportion of the providers' income to the achievement of local quality improvement goals
ICU	<i>Intensive Care Unit</i>
LCP	<i>Liverpool Care Pathway</i>
MRSA	<i>MRSA stands for Methicillin-Resistant Staphylococcus Aureus. It causes an infection that is resistant to several common antibiotics. Infection control is key to stopping MRSA in hospitals</i>
NCEPOD	<i>National Confidential Enquiry into Patient Outcome and Death</i>
NICE	<i>National Institute for Health and Clinical Excellence</i>
NPSA	<i>National Patient Safety Agency</i>
PCT	<i>Primary Care Trust – A PCT is an NHS trust, part of the National Health Service in England. PCTs commission primary, community and secondary care services for their population. Some PCTs also provide primary and community care services</i>
Prophylaxis	<i>Medical or public health measures taken in order to prevent disease or health problems, rather than to treat or cure an existing condition. Prophylaxis is also a way to stem an outbreak of disease, or minimize the symptoms of someone who has been exposed to a disease or virus</i>
Thrombolysis	<i>Is the breakdown of blood clots by pharmacological means</i>
VTE	<i>Venous thrombosis is a condition in which a blood clot (thrombus) forms in a vein. Blood flow through the affected vein can be limited by the clot, causing swelling and pain. If the blood clot comes loose, it can travel through the bloodstream through the lungs. This is called pulmonary embolism. Venous thrombosis and pulmonary embolism together are known as venous Thromboembolism (VTE)</i>

Copies of this Quality Account are available from our hospital sites and also on the Trust website and NHS Choices Website:

www.heartofengland.nhs.uk

www.nhs.uk



If you would like to comment or provide feedback on this Quality Account, please contact us:

Email: patient.feedback@heartofengland.nhs.uk

Telephone: 0121 424 2000

Website: www.heartofengland.nhs.uk

Twitter: @heartofengland

Appendix 2- Letter of representation

NHS FOUNDATION TRUST REPRESENTATION LETTER

[HEFT's letterhead]

PricewaterhouseCoopers LLP

Cornwall Court

19 Cornwall Street

Birmingham

B3 2DT

Dear Sirs

This representation letter is provided in connection with your audit of the financial statements of Heart of England NHS Foundation Trust (the "NHS Foundation Trust") for the year ended 31 March 2012.

Your audit is conducted for the purpose of expressing an opinion as to whether the financial statements of the NHS Foundation Trust give a true and fair view, in accordance with the NHS Foundation Trust Annual Reporting Manual, and of the income and expenditure and cash flows for the financial year ended 31 March 2012.

We acknowledge that the Chief Executive has been designated as the Accounting Officer for the Trust by Monitor and that the following requirements included in the NHS Foundation Trust Accounting Officer Memorandum have been complied with:

"An Accounting Officer has particular responsibility to see that appropriate advice is tendered to the Board of Directors and Board of Governors on all matters of financial propriety and regularity and, more broadly, as to all considerations of prudent and economical administration, efficiency and effectiveness."

“The Board of Directors and the Board of Governors of an NHS Foundation Trust should act in accordance with the requirements of propriety or regularity. If the Board of Directors, Board of Governors or the Chairman is contemplating a course of action involving a transaction which you as Accounting Officer consider would infringe these requirements, however, you should set out in writing your objection to the proposal and the reasons for this objection.”

We confirm that the following representations are made on the basis of enquiries of management and staff of the NHS Foundation Trust with relevant knowledge and experience and, where appropriate, of inspection of supporting documentation sufficient to satisfy ourselves that we can properly make each of the following representations to you.

We confirm, for all directors at the time the directors’ report is approved, to the best of our knowledge and belief, and having made the appropriate enquiries, the following representations:

Financial Statements

- We acknowledge as directors our responsibilities under the National Health Service Act 2006 for preparing financial statements of the NHS Foundation Trust which give a true and fair view, in accordance with the NHS Foundation Trust Annual Reporting Manual and for making accurate representations to you.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- Significant assumptions used by us in making accounting estimates, including those surrounding measurement at fair value, are reasonable.
- All events subsequent to the date of the financial statements for which the NHS Foundation Trust Annual Reporting Manual requires adjustment or disclosure have been adjusted or disclosed.
- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to this letter at appendix A, together with our reasons for not adjusting these misstatements.
- The financial statements disclose all matters of which we are aware that are relevant to the NHS Foundation Trust’s ability to continue as a going concern, including all significant conditions and events, mitigating factors and the NHS Foundation Trust’s plans. The NHS Foundation Trust also has the intent and ability to take actions necessary to continue as a going concern.

Information Provided

- Each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that you (the NHS Foundation Trust’s auditors) are aware of that information.

We have provided you with:

- Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- Additional information that you have requested from us for the purpose of the audit; and
- Unrestricted access to persons within the NHS Foundation Trust from whom you determined it necessary to obtain audit evidence.

-
- So far as each director is aware, there is no relevant audit information of which you are unaware.

Fraud and non-compliance with laws and regulations

We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.

We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the NHS Foundation Trust and involves:

- Management;
- Employees who have significant roles in internal control; or
- Others where the fraud could have a material effect on the financial statements.

We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the NHS Foundation Trust's financial statements communicated by employees, former employees, analysts, regulators or others.

We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.

We are not aware of any irregularities, or allegations of irregularities, involving management or employees who have a significant role in the accounting and internal control systems, or that could have a material effect on the financial statements.

Accounting policies

We confirm that we have reviewed the NHS Foundation Trust's accounting policies and estimation techniques and, having regard to the possible alternative policies and techniques, the accounting policies and estimation techniques selected for use in the preparation of the financial statements are the most appropriate to give a true and fair view for the NHS Foundation Trust's particular circumstances, as directed by Monitor.

Related party transactions

We confirm that we have disclosed to you the identity of the NHS Foundation Trust's related parties and all the related party relationships and transactions of which we are aware.

Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of the NHS Foundation Trust Annual Reporting Manual

We confirm that we have identified to you all members of key management, as defined by IAS 24, and included their remuneration in the disclosures of key management compensation.

Employee Benefits

We confirm that we have made you aware of all employee benefit schemes in which employees of the NHS Foundation Trust participate.

Contractual arrangements/agreements

All contractual arrangements (including side-letters to agreements) entered into by the NHS Foundation Trust have been properly reflected in the accounting records or, where material (or potentially material) to the financial statements, have been disclosed to you.

Litigation and claims

We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements and such matters have been appropriately accounted for and disclosed in accordance with the NHS Foundation Trust Annual Reporting Manual.

We are not aware of any pending or threatened litigation, proceedings, hearings or claims negotiations which may result in significant loss to the NHS Foundation Trust.

Subsequent events

There have been no circumstances or events subsequent to the period end which require adjustment of or disclosure in the financial statements or in the notes thereto.

Retirement benefits

All significant retirement benefits that the NHS Foundation Trust is committed to providing, including any arrangements that are statutory, contractual or implicit in the NHS Foundation Trust's actions, wherever they arise, whether funded or unfunded, approved or unapproved, have been identified and properly accounted for and/or disclosed.

All settlements and curtailments in respect of retirement benefit schemes have been identified and properly accounted for.

Assets and liabilities

We have no plans or intentions that may materially alter the carrying value and, where relevant, the fair value measurements or classification of assets and liabilities reflected in the financial statements.

In our opinion, on realisation in the ordinary course of the business the current assets in the balance sheet are expected to produce no less than the net book amounts at which they are stated.

We have no plans to abandon lines of product or other plans or intentions that will result in any excess or obsolete inventory, and no inventory is stated at an amount in excess of net realisable value.

The NHS Foundation Trust has satisfactory title to all assets and there are no liens or encumbrances on the NHS Foundation Trust's assets, except for those that are disclosed in the financial statements.

We confirm that we have carried out impairment reviews appropriately, including an assessment of when such reviews are required, where they are not mandatory. We confirm that we have used the appropriate assumptions with those reviews.

Details of all financial instruments, including derivatives, entered into during the year have been made available to you. Any such instruments open at the yearend have been properly valued and that valuation incorporated into the financial statements. When appropriate, open positions in off-balance sheet financial instruments have also been properly disclosed in the financial statements.

We confirm that all significant assumptions made in relation to fair value measurement and disclosures are reasonable and appropriately reflect management's intent and ability to carry out specific courses of action on behalf of the NHS Foundation Trust where relevant to the fair value of measurements or disclosures

Disclosures

Where appropriate, the following have been properly recorded and adequately disclosed in the financial statements:

- The identity of, and balances and transactions with, related parties.
- Losses arising from sale and purchase commitments.
- Agreements and options to buy back assets previously sold.
- Assets pledged as collateral.

We have recorded or disclosed, as appropriate, all formal or informal arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances and line of credit or similar arrangements.

We have recorded or disclosed, as appropriate, all liabilities, both actual and contingent, and have disclosed in the financial statements all guarantees that we have given to third parties, including oral guarantees made by the NHS Foundation Trust on behalf of an affiliate, director, officer or any other third party.

Income Recognition

We confirm that we have recognised all income receivable in 2011/12 in the Statement of Comprehensive Income except where this income relates to specific activity to be delivered in future years.

We have deferred recognition of £6 million of efficiency monies received in 2011/12, as a result of negotiations with our commissioners, summarised in our correspondence received from NHS Birmingham East and North dated 24 May 2012. We confirm that this balance relates to efficiency schemes within our three year CIP that are yet to be implemented and that, upon delivering the schemes, this balance will be recognised as income.

Subsidiaries

We can confirm that we have considered relationships with all associated organisations and apart from those disclosed in note 32 we are not aware of any subsidiaries, joint ventures or associates in accordance with IFRS.

We are satisfied that the NHS Foundation Trust's relationships with the Heartlands and Solihull Hospitals Education Development Foundation and the Heartlands Education Centre Limited are not material to the NHS Foundation Trust's financial statements.

Revisions to equipment assets' useful economic lives

We have amended the useful economic lives for radiology, cardiology and renal assets in 2011/12 and have recognised a net increased depreciation charge as a result. This arises from our intention to enter into managed service contracts for the provision of services which will result in these assets no longer belonging to the NHS Foundation Trust. We confirm that:

- Our current intention is to proceed with a managed service contract with the expectation that the assets in question will be transferred to the provider at a near-nil value net gain; and
- We are satisfied that there are no further assets and services where a managed service contract procurement route is considered sufficiently likely which would result in a materially different depreciation charge if the same accounting treatment was applied.

Provisions

Full provision has been made for all liabilities at the balance sheet date including guarantees, commitments and contingencies where the items are expected to result in significant loss. Other such items, where in our opinion provision is unnecessary, have been appropriately disclosed in the financial statements.

Provision for redundancy

We have included a £3 million provision for redundancy costs. In calculating this provision we confirm that:

- We used appropriate measurement processes, including related assumptions and models, in determining the accounting estimate in the context of IFRSs as adopted by in the NHS.
- The assumptions appropriately reflect our intent and ability to carry out specific courses of action on behalf of the NHS Foundation Trust, where relevant to the accounting estimates and disclosures.
- Disclosures related to accounting estimates are complete and appropriate under IFRSs as in the NHS.
- No subsequent event requires adjustment to the accounting estimates and disclosures included in the financial statements.
- The information we have provided to you on how planned CIP savings translates into headcount reduction is accurate and complete.

-
- Our estimate of the proportion of identified headcount reductions attributable to redundancy is based on the best information available.
 - The plan has no realistic possibility of withdrawal and is a key part of the Trust achieving its Cost Improvement Plan targets.

Transfer of community services

We confirm that we have recorded or disclosed all relevant accounting transactions, estimates and related disclosures surrounding the transfer of community services to the NHS Foundation Trust. We are not aware of any additional information which would require adjustment of or disclosure in the financial statements or in the notes thereto.

Quality Report

We are responsible for:

- Ensuring the content of the Quality Report is in accordance with annex 2 to Chapter 7 of the NHS FT ARM;
- The consistency of the Quality Report with the documents specified in Monitor's guidance on external assurance in relation to Quality Reports; and
- Reported performance against the specified indicators subject to assurance.

We have provided you with all information relevant to the preparation and content of the Quality Report.

We are responsible for the interpretation of the criteria set out in Monitor's detailed guidance on external assurance in relation to Quality Reports and confirm that to the best of our knowledge these criteria are suitable for the intended users' purpose and will be made available to them in the Quality Report.

We have evaluated our performance against the specified performance indicators as defined by Monitor and the Department of Health and believe our reported performance to be complete and accurate.

We have established and maintained adequate internal controls to facilitate the complete and accurate preparation of the Quality Report so that it meets the requirements of the NHS FT ARM and we confirm that we have disclosed to you all significant deficiencies in the design or operation of internal control over the Quality Report subject matter information, particularly in respect of the mandated performance indicators.

There are no material sources of the information to be included in the Quality Report that have not been properly determined, based on the NHS foundation trust's underlying records, and included in the in the reported Quality Report.

We are not aware of any unadjusted differences that would materially impact the information on our performance against the mandated performance indicators. We have adjusted the performance data disclosed in relation to both C Difficile, positive cases and maximum cancer waiting time of 62 days from urgent GP referral to first treatment for all cancers to reflect the issues identified in the audit.

All relevant records have been made available to you for the purpose of your work on our Quality

Report, and all the data has been properly reflected and recorded in these records. All other records and related information which might affect the completeness and accuracy of the Quality Report has been made available to you.

We have made all staff whose work impacts on the Quality Report available to you. We have responded fully to all enquiries made by you during your work on the Quality Report.

Any estimates or significant assumptions used by us in producing the Quality Report are reasonable.

We have disclosed to you any known events subsequent to 31 March 2012 that would have a material effect on the Quality Report.

No matters have come to our attention up to the present time which would materially impact the quantities, qualitative statements or disclosures included in the Quality Report.

We understand that your limited assurance engagement on the NHS foundation trust's Quality Report was conducted in accordance with the Standard on Assurance Engagements ISAE 3000 *Assurance Engagements other than Audits or Reviews of Historical Financial Information*. The engagement was designed for the purpose of expressing a limited assurance conclusion on the Quality Report for the 12 month period ended 31 March 2012, and that your tests of the records and other procedures were limited to those which you considered necessary for that purpose.

As minuted by the board of directors at its meeting on 28 May 2012

.....
(Chairman)

.....
(Chief Executive/Secretary)

For and on behalf of

.....

Date

Appendix A

We acknowledge our responsibility for the design and implementation of internal control to prevent and detect error. We confirm that the financial statements are free from material misstatement, including omissions.

There are six unadjusted misstatements over the value of £50,000 (which is the value below which we have agreed with you previously that you will not report individual unadjusted misstatements) relating to the 2011/12 financial year which you have brought to our attention in your ISA 260 report to those charged with governance. The total impact of all the unadjusted misstatements, if adjusted, would be to increase the reported surplus for the year by £1,050,000 and increase net assets by the same amount.

The reasons why these misstatements have not been adjusted in the financial statements are set out below:

#	Description of issue	Narrative for double entry	Statement of Comprehensive Income		Statement of Financial Position		Explanation for not adjusting the misstatement
			DR £k	Cr £k	Dr £k	CR £k	
1	<u>Non-pay expenditure – car leasing</u>						
	Two invoices for annual car lease charges which relate to services spanning 2011/12 and 2012/13 were identified within expenditure. For both of these items, the proportion relating to 2012/13 has not been presented as a prepayment, and as such expenditure is overstated for these transaction elements.	<p>Dr Prepayments</p> <p>Cr Deferred income</p> <p>Dr Other operating income</p> <p>Cr Non-pay expenditure</p>	423		423		Adjusting this item does not affect SOCI result and balances are not material to SOFP categories. Also, this involves adjusting the balance that has been agreed with another NHS body as part of agreement of balances exercise.
	Further analysis of the balance has confirmed a total adjustment of £423,000.						

#	Description of issue	Narrative for double entry	Statement of Comprehensive Income	Statement of Financial Position	Explanation for not adjusting the misstatement
2	<p><u>Provisions – asbestos removal costs</u></p> <p>The provision made for the expected costs of removing as yet unidentified asbestos from your hospital sites is not supported by sufficient information to enable the obligating event to be determined.</p> <p>As such, an adjustment is proposed to remove this element from the balance.</p>	<p><u>Dr</u> Provisions</p> <p><u>Cr</u> Non-pay expenditure</p>	<p>300</p> <p>300</p>	<p>300</p>	<p>This is not material to SOFP provisions balance.</p>
3	<p><u>Accruals – Danwood contract</u></p> <p>An accrual of £450k has been posted to cover expected additional activity on your contract with Danwood for print services.</p> <p>Subsequent resolution of related disputes with the contractor has identified that the total additional charge amounts to £286k. As such, an adjustment is proposed to remove the balancing figure from the year end accruals listing.</p>	<p><u>Dr</u> Accruals</p> <p><u>Cr</u> Non-pay expenditure</p>	<p>164</p> <p>164</p>	<p>164</p>	<p>At the point of making the accrual the Trust was still in negotiation with Danwood on total volume cost for the year and a prudent assessment was made, since then a final invoice has been received. The adjustment is not material to accruals.</p>
4	<p><u>Accruals – surgery costs</u></p> <p>Testing of the accrual for clinical costs arising from patients who had previously undergone unsuitable surgical procedures, found that the prior year balance had not been re-assessed as at 31/03/2012, and was understated.</p> <p>The difference between the amount accrued (£500k) and the re-calculated sum (£743k) is proposed as an adjustment.</p>	<p><u>Dr</u> Non-pay expenditure</p> <p><u>Cr</u> Accruals</p>	<p>243</p>	<p>243</p>	<p>The accrual made at the time of closing the ledger seemed appropriate. The value of the error identified is via extrapolation so it is not possible to accurately determine what the correct value should be. Not material to overall accruals value.</p>

#	Description of issue	Narrative for double entry	Statement of Comprehensive Income	Statement of Financial Position	Explanation for not adjusting the misstatement
5	<u>Provision – Shaylors</u>				
	Year end provisions include a balance of £912,544.82 in respect of a disputed contractor settlement for the construction of the 'MIDRU' building on the Heartlands site.	<u>Dr</u> Provisions		913	This has come to light very late in the process and there would be a number of implication of the adjustment including depreciation and PDC which would be very difficult to unravel.
		<u>Cr</u> Impairment of Property, plant and equipment		753	
	It is confirmed that settlement has now been reached with Shaylors (the contractor) totalling £120,000. As such, the amount provided for should be reduced to the value of the settlement reached, and the remaining balance reclassified as a payable.	<u>Cr</u> Payables		120	
		<u>Cr</u> Accruals – legal costs		40	

#	Description of issue	Narrative for double entry	Statement of Comprehensive Income	Statement of Financial Position	Explanation for not adjusting the misstatement
6	<p><u>Accelerated depreciation charges</u></p> <p>The 2011/12 financial statements include an element of 'accelerated depreciation' totalling £2.5 million relating to revised useful economic life (UEL) assessments for radiology, cardiology and renal assets.</p> <p><i>This matter has been discussed in detail at page 7 above.</i></p> <p>We have concluded that there is insufficient evidence to support the UEL revisions, and as such we are proposing a series of adjustments to remove the additional charges from the accounts.</p>	<p>Adjustment 1): <i>removal of additional charges on renal and cardiology assets:</i></p> <p>Dr Property, plant and equipment</p> <p>Cr Depreciation</p> <p>Adjustment 2): <i>removal of additional charges on newly identified radiology assets:</i></p> <p>Dr Property, plant and equipment</p> <p>Cr Depreciation</p> <p>Adjustment 2): <i>rebasing of original element charge for existing radiology assets:</i></p> <p>Dr Depreciation</p> <p>Cr Property, plant and equipment</p>	<p>966</p> <p>966</p> <p>1,452</p> <p>1,589</p>	<p>966</p> <p>1,452</p> <p>1,589</p>	<p>The adjustment made by the Trust was on the basis of the date of manages service contract and audit have rejected this as a basis for shortening UEL. If all assets were individually assessed there would be some assets that would require additional depreciation charges. As the date would have to be done on an asset by asset basis this is a large piece of work so the true value of the adjustment cannot be easily determined. On this basis the Trust will leave the depreciation on its current judgement.</p>
Total provisional impact			<p>2,255</p> <p>3,305</p>	<p>4,218</p> <p>3,168</p>	
			Cr 1,050	Dr 1,050	

In the event that, pursuant to a request which Heart of England NHS Foundation Trust has received under the Freedom of Information Act 2000, it is required to disclose any information contained in this report, it will notify PwC promptly and consult with PwC prior to disclosing such report. Heart of England NHS Foundation Trust agrees to pay due regard to any representations which PwC may make in connection with such disclosure and Heart of England NHS Foundation Trust shall apply any relevant exemptions which may exist under the Act to such report. If, following consultation with PwC, Heart of England NHS Foundation Trust discloses this report or any part thereof, it shall ensure that any disclaimer which PwC has included or may subsequently wish to include in the information is reproduced in full in any copies disclosed.

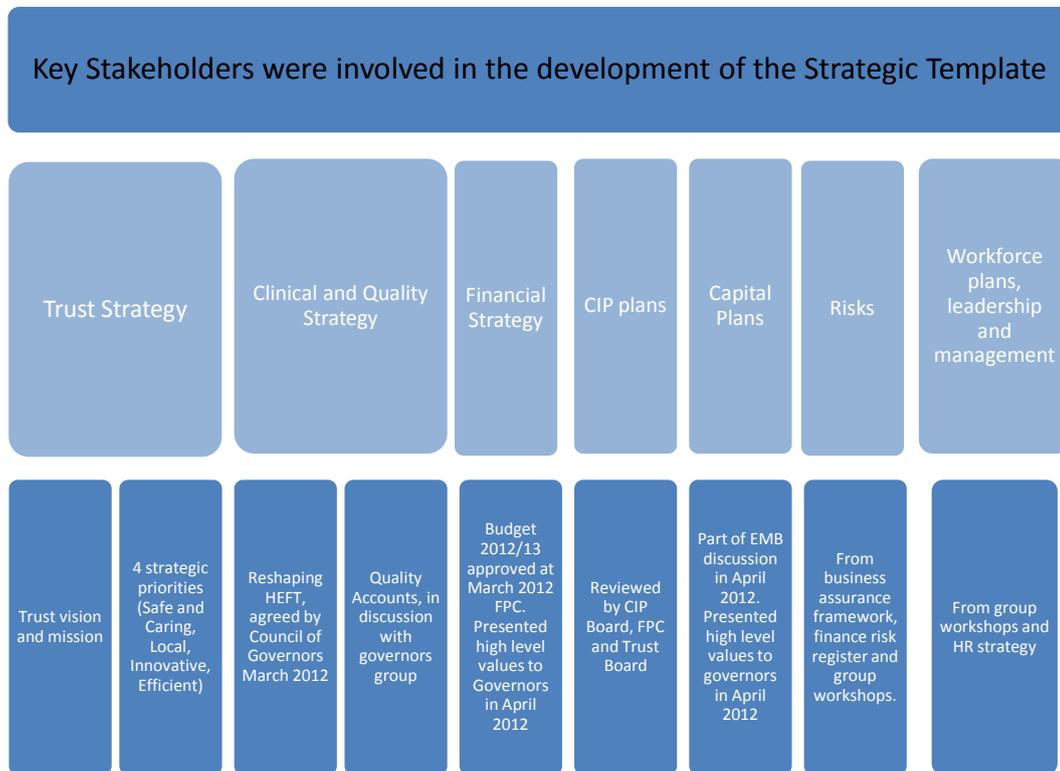
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1. Introduction

The Annual Plan is due for submission to Monitor on 1 June 2012 in line with the Compliance Framework. This is the quality, governance, strategic and financial plan for the three years 2012/13 to 2014/15. The Trust Board is required to approve the documents before they are submitted to Monitor and they will be signed by the Chief Executive, Chairman and Finance Director before submission

2. Consultation Process

The planning process for this document started in December 2011 and has pulled information from a number of other areas, as shown in the table below;



The Finance and Strategic Planning Governors Committee ratified the detailed strategy document and this was also approved at the Council of Governors meeting on May 22nd.

3. Documents for Review

There are a number of documents that make up the Annual Plan. The Strategic Document attached in Appendix A shows the trust's forward thinking on quality, governance, HR developments and the commentary on the finances, capital and CIP.

In addition, Appendix B contains a number of schedules with numbers or declarations for review;

- Financial Statements, Financial Risk rating
- Targets and Indicators
- Governance Statement
- Information on members, elections and schedule 3.

The governance statement should be reviewed and the Board must decide if it will declare confirmed or not confirmed to each of the statements. Where it is not confirmed an explanation will need to be provided to Monitor on the actions being taken to bring the Trust into compliance with this item.

4. Next Steps

The Trust Board needs to review all of the documents and advise of any changes to be made in advance of submission to Monitor by Friday 1st June.



Forward Plan Strategy Document for 2012-13

Heart of England NHS foundation trust

Forward Plan for y/e 31 March 2013 (and 2014, 2015)

This document completed by (and Monitor queries to be directed to):

Name	Angeline Jones
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The attached Forward Plan Strategy Document (the “Forward Plan”) and appendices are intended to reflect the Trust’s main business plan over the subsequent three years. Information included herein should accurately reflect the strategic and operational plans that have been agreed on by the Trust Board.

In signing below, the Trust is confirming that:

- The Forward Planned appendices are an accurate reflection of the current shared vision and strategy of the Trust Board having had regard to the views of the board of governors;
- The Forward Planned appendices have been subject to at least the same level of Trust Board scrutiny as any of the Trust’s other internal business and strategy plans;
- The Forward Plan and appendices are consistent with the Trust’s internal business plans;
- All plans discussed and any numbers quoted in the Forward Plan and appendices directly relate to the Trust’s financial template submission.

Approved on behalf of the Board of Directors by:

Name (Chair)	Lord Philip Hunt
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Signature

Approved on behalf of the Board of Directors by:

Name (Chief Executive)	Mark Newbold
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Signature

Approved on behalf of the Board of Directors by:

Name (Finance Director and Deputy Chief Executive)	Adrian Stokes
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Signature

Strategy Guidance - Annual Plan Review 2012-13

1. Overview

The Trust Board's Forward Plan for the three year period 2012/13 to 2014/15 should capture and clearly communicate:

- the vision for the Trust and the strategic goals that underpin delivery;
- the extent to which the risks of not achieving goals and objectives are assessed and managed;
- the key priorities, actions and resources (financial, people and facilities) needed to deliver each of the core components of the strategy;
- milestones and measures of progress along the way;
- how the Trust Board has considered the impact on quality of patient care;
- how the Trust Board has considered how patient safety is safeguarded;
- how the Trust Board is assured of the Trust's continuing financial and clinical sustainability;
- any regulatory and delivery risks and mitigations; and
- how the Trust Board has engaged with stakeholders across the broader healthcare landscape to ensure alignment of goals and objectives.

NHS FT plans for 2012/13 should include financial forecasts for the three year period 2012/13 to 2014/15 and reflect forward looking assumptions, projections or estimations as to:

- revenues and costs;
- contracts and changes in productivity;
- the likely impact of various external and internal factors;
- key risks, and credible mitigations;
- strategic capital and other investment projects;
- leadership and necessary key skills;
- potential acquisitions and /or disposals; and
- clinical quality objectives and service developments.

The above should link to the Trust's strategic vision and should be supported by detailed planning including proposed actions, timeframes and responsibilities.

The strategic part of the Forward Plan is designed to support the delivery of high quality healthcare services by ensuring that:

- NHS Foundation Trust Boards (both directors and governors) have properly considered and delivered the above requirements for good planning;
- the Trust's financial plans are robust, internally consistent and realistic;
- the Trust's goals and objectives align with those of the Local Health Economy; and

-any gaps or inconsistencies are promptly identified and actions taken to address them.

Trust Boards should be able to identify key priorities and risks for each of their core business areas and demonstrate how these will be effectively managed to ensure delivery.

This document sets out guidance to assist in completing each of the main sections within the Forward Plan. In addition there is guidance on completing the appendices. Within each section, Trust Boards should clearly describe the link between its overall vision for the Trust, the strategic goals and objectives, key operational action plans and the assumptions used to drive them.

Where more detailed information is already included within the input sheets from which the financial plans are derived, then this information should be referenced (and where appropriate not repeated) within the sections below.

Annex A sets out, at a high level, the main stages in the development of the three year Forward Plan and appendices and the key elements which underpin each.

Introduction

The sections below should be completed in such detail as is necessary to demonstrate that the Trust Board has:

- a clear, shared vision;
- planned key priorities;
- considered material risks (both internal and external);
- assessed potential downsides and mitigations; and
- had regard to the views of the board of governors.

The sections cover four categories, set out below:

To be published

1.Section 1 –Forward Plan

Not intended for publication

2.Appendix 1 - Key risks

3.Appendix 2 - CIPs and efficiency

4.Appendix 3 - Financial commentary

a)Income

b)Service Developments

c)Transactions

d)Activity

e)Workforce

f)Capital expenditure

g)Costs

Note: Although Monitor does not intend to publish Appendices 1-3, all information provided to Monitor is potentially subject to disclosure under the Freedom of Information Act 2000.

Section 1: Forward Plan

A. The Trust's vision is summarised as:

In 2011 the Trust held a number of discussions with its key stakeholders to develop the future strategy of the organisation and gain insight into the options for structure and service provision. Gathering all the input the Trust Board has identified the Trust's mission as:

“Healthcare at the heart of our communities”.

In support of this mission and to help meet the challenges ahead, the Board has agreed the following four strategic priorities for the Trust, encompassing both clinical and corporate goals:

- **Safe and Caring** – The Trust aims to be the top quartile nationally for safety metric performance and patient satisfaction. The Trust aims to become an employer where the workforce are 'consistently engaged' with their organisation and they are to be recognised nationally.
- **Locally Engaged** – The Trust will develop an individual identity for each of the hospital sites, which will drive local integration to enable the redesign of the key services to meet the needs of the local population the Trust serves. This embodies the desire to become a good corporate citizen.
- **Efficient** – The Trust will establish plans to achieve a 15% reduction in costs, a 50% reduction in the cost of sickness and a reduction of an average length of stay over the next 3 years. The Trust strives to consistently deliver all its statutory and regulatory targets.
- **Innovative** – The Trust will become a leading 'open organisation'. The Trust aims to develop a number of beacon clinical services which receive national recognition, establish models for education, research and services to other organisations. The Trust will continue to build a strong nursing workforce and achieve local, national and international recognition for the 'HEFT Nurse' brand.

The Trust's forward looking vision is to provide services that encourage confidence, trust, and pride within the communities it serves.

B.The Trust’s strategic position is summarised as:

The Trust provides a wide range of healthcare services to its large population through 3 acute hospitals and a range of communities based clinics. In view of the growing healthcare needs, changing populations and NHS regime, the Trust has undertaken a number of workshops – described as ‘Reshaping HEFT’ – with certain staff groups in late 2011 to review the services it provides with the aim of ‘localising where possible and centralising where necessary’. The Trust aims to give more flexibility to each site by having their individual identity with measurable autonomy. Over the last 18 months Good Hope Hospital has had a dedicated site lead, this model is now being used across the three hospital sites with an identified Hospital Director and support team for each site being permanently established.

As part of Reshaping HEFT a distinct identity for each hospital has been identified within the HEFT hospital system;

- Heartlands Hospital – a very large hospital with some tertiary services providing corporate and clinical centre for the organisation including healthcare research and faculty of education on site
- Good Hope Hospital – a new model for medium sized district general hospital – utilising strong corporate support functions, cross –site clinical working and effective local engagement.
- Solihull Hospital – innovative, integrated healthcare system – showing the way for smaller hospitals everywhere. Closely linked to HEFT community services.

A portfolio of ‘Reshaping HEFT’ projects have been identified with assigned clinical and operational leads focusing on 5 work streams:

Work stream	Project	Key focus / outcomes
Development of new pathways	<ul style="list-style-type: none"> • Frail Elderly Pathway redesign • Maternity Services Efficiencies • Chronic diseases pathway (Respiratory, Diabetes & Heart Diseases) 	<ul style="list-style-type: none"> • Admission avoidance and early discharge • Reduce length of stay • Management of care in the community
Service Development	<ul style="list-style-type: none"> • Elective Care Centre at Solihull • HEFT @ Home • Daycase surgery models • Review of ‘general’ medicine care • Cancer services at Solihull 	<ul style="list-style-type: none"> • Concentration of elective care • Increase efficiencies and improve patient experience • Early discharge • Reduce length of stay • Development of a Chemotherapy experience
Stroke Services	Review/configure acute and rehabilitation services delivered across the 3 hospital	<ul style="list-style-type: none"> • Achieve recognised best practice stroke care • Streamlined pathways and early discharge
Surgical Specialities	Review location and service configuration	Ensuring balance the need for emergency and elective work
Birmingham Chest Clinic	Searching for possible alternative locations	Ensuring quality services continue to be provided at the city centre site

By developing new day surgeries at Heartlands Hospital and Good Hope Hospital, new elective care centre at Solihull site and HEFT @ Home model, the Trust aims to reduce demand for hospital services by using its expertise to have patients treated at home and keeping them well.

Clinical and Quality Strategy

C.The Trust's Clinical and Quality strategy over the next three years is:

Over the year, the Trust has made progress on priorities set in the Quality Accounts 2011/12 and further 3 priorities identified and set for Solihull community services in 2011/12. The Trust continues to work towards the strategic priority 'Safe and Caring', which includes: -

- Being in the top 10% in England for safety metrics performance,
- Having a 80% net recommender index score for patient satisfaction,
- Having 75% of our workforce agreeing that they are 'consistently engaged' with their organisation, and
- Being recognised nationally for employee involvement in the running of the organisation.

The Trust strives to continue to reduce hospital acquired infections. In 2011/12 the number of cases of MRSA bacteraemia and C-diff cases (post 48 hours) were lower than in 2010/11, and the targeted reduction for C-diff cases was achieved.

Patient Safety has improved since Virtual Interactive Teaching & Learning (VITAL) was implemented in 2011/12 across all nursing staff. The Trust will continue to develop and provide trainings to staff and raise awareness to patients and service users as required.

The Trust continues to work closely with its healthcare partners in the communities across the region to improve and establish new patient pathways. The Trust will also build up broader view of the community to improve Health and Wellbeing and Staff Wellbeing. Work has already begun at Solihull where a partnership board was established to produce a better integrated health economy. The Trust will also work closely with Birmingham City Council and Birmingham University on public health strategies that further benefit the health economy in across all other sites.

At the end of 2011 a large number of workshops were held with senior clinical teams from the main bed holding specialties. These 'Reshaping HEFT' workshops aim to focus on how to make most effectively use the current resources and deliver quality services to our patients. They also helped to explore innovative ways of working and changes needed to ensure the Trust remains viable against the challenges in the future. A portfolio of projects has been identified with assigned clinical and operational leads for implementation in the years ahead.

To support this and to keep the focus on quality initiatives, the financial arrangements with commissioners have been adjusted to provide incentives ensuring everyone is focused on improving patient safety, patient outcomes and service quality, whilst maintaining a sustainable financial position.

There is a robust system in place for ensuring that the Board is made aware of key safety issues. The Governance and Risk Committee regularly reviews the Trusts risks, SUIs, complaints and claims in aggregate. This ensures that any trends are addressed and lessons learned and relevant actions are taken in response to issues arising. In January 2012 the Trust achieved Level 2 compliance with the NHSLA Risk Management standards for acute Trusts.

Clinical and Quality priorities and milestones

D. Clinical and Quality priorities and milestones over the next three years are:

Quality Priorities	Contribution to the strategy	Key actions and delivery risk	Action taken in 2011/12	3 year targets / measures for 2011/12 2012/13 2013/14
<p>Stroke Management – ensure patients receive timely treatment in an appropriate care setting</p>	<p>Safe and Caring; Locally Engaged.</p>	<p>Cooperation with A&E and acute medical assessment areas to admit patients to a stroke unit within 4 hours.</p> <p>Rapid diagnosis – CT scanning.</p> <p>40% of patients discharged from hospital should be supported at home with access to therapy.</p>	<p>250 more people were admitted directly to a stroke ward in first half of 2011 compared to 2010.</p> <p>Improved access to CT scans for patients.</p> <p>Launched an Early Supported Discharge service at Heartlands site in Jan 2012 to enable people receive the therapy at home.</p>	<p>Admission to stroke unit within 4 hours of admission.</p> <p>Develop a ward round by a specialist stroke physician 7 days of a week.</p> <p>Develop a stroke early supported discharge service at Good Hope Hospital and Solihull Hospital.</p>
<p>Patient Experience – improving the response to patients’ needs</p>	<p>Safe and Caring.</p>	<p>Back-to-the-floor programme to increased number of patient surveys based on the CQC’s Inpatient Survey.</p> <p>Engaging the community.</p> <p>Regularly review opinions and feedbacks via internet and Twitter blogs.</p>	<p>Back-to-the-floor programme continue to monitor patient experience and reports reviewed by Executive Board monthly and Governance & Risk and Trust Board bi-monthly.</p> <p>Established the new ‘Patient Services’ function to offer a rapid escalation pathway to complainants.</p>	<p>Improving the response to patients needs and continue to review progress monthly by the Executive Board, and every two months by Governance & Risk and Trust Board.</p> <p>Capture data of community services, integrated health and social care packages.</p>

Quality Priorities	Contribution to the strategy	Key actions and delivery risk	Action taken in 2011/12	3 year targets / measures for 2011/12 2012/13 2013/14
Venous Thromboembolism (VTE) – improve clinical outcomes for patients receiving VTE prophylaxis	Safe and Caring; Locally Engaged.	<p>Improve VTE risk assessments and prophylaxis.</p> <p>Provide VTE risk assessment as part of mandatory training for all clinical staff commencing work at the Trust.</p>	<p>Achievement of >95% of VTE assessment.</p> <p>Introduced the newer oral anticoagulants Dabigatran and Rivaroxaban allowing their use in thrombosis prevention in patients undergoing hip and knee replacements.</p>	<p>Reduce death and disability from VTE.</p> <p>Continue to achieve a standard of >90% of patients being assessed.</p>
Mandatory Training - ensure staff have core and mandatory training as required	Safe and Caring; Efficient.	<p>Increased awareness to staff.</p> <p>Provide e-learning mandatory training to clinical staff.</p>	<p>Developed online learning package.</p> <p>Development of Virtual Interactive Teaching & Learning (VITAL).</p>	To develop VITAL for paediatrics, midwifery, medical staff and managers in 2012.
Incident Reporting – improve the timeliness of reporting	Safe and Caring; Efficient.	Monthly review of SUI forum and work alongside acute services, the SHA & commissioners.	Implementation of an electronic reporting system.	Achieve local and national targets.
Quality of life measures – collect and review patient satisfaction feedback	Safe and Caring; Locally Engaged.	Develop patient experience survey and other tools to review outcomes.	Launch of pilot patient experience survey in 4 services.	Improving the clinical outcomes and continue to review progress.

Quality Priorities	Contribution to the strategy	Key actions and delivery risk	Action taken in 2011/12	3 year targets / measures for 2011/12 2012/13 2013/14
Continence Service – provide Public Health Training	Safe and Caring; Locally Engaged.	Provide public health training to front line staff.	Provide public health training to front line staff.	Further training.
Reduce MRSA and C-diff levels	Safe and Caring.	MRSA screening.	Continue review and reduction in post 48 hours MRSA bacteraemia.	Further reductions.
2012/13 Priorities				
Fundamentals of Care	Safe and Caring	Review progress in the Nursing and Midwifery Performance Board.	These are the priorities identified by stakeholders for 2012/13.	Developed Trust wide Scorecards. Meet targets.
Falls	Safe and Caring	Review progress in the Nursing and Midwifery Performance Board.	These are the priorities identified by stakeholders for 2012/13.	Meet targets set in Scorecards, e.g. falls per occupied bed days.
Pressure Sores	Safe and Caring	Review progress in the Nursing and Midwifery Performance Board.	These are the priorities identified by stakeholders for 2012/13.	Meet targets set in Scorecards, e.g. tissue viability audits, incident numbers.
Fracture Neck of Femur	Safe and Caring	Data will be reported at quarterly audit meetings and the Trust Quality Group.	These are the priorities identified by stakeholders for 2012/13.	Facilitate improvements in the quality and cost effectiveness of hip fracture care.

Financial Strategy

E.The Trust's financial strategy and goals over the next three years:

The Trust has taken cautious approach in compiling the financial plan. It is anticipated to achieve a surplus of £11.4m in 2012/13, in line with planned levels last 2 years, and to maintain at a similar level in the following 2 years. The surplus level across the period enables the Trust to implement its ongoing investment into the infrastructure and estate required to deliver Reshaping HEFT and other development programmes.

In 2011/12, the Trust has suffered throughout the year from financial uncertainty due to potential penalties from our commissioners, such as for new-to-follow-up ratios and readmissions levels, although all of these issues have been resolved by the year end. This in year financial uncertainty makes it more difficult to forecast the financial position and plan for future developments. For 2012/13 the Trust has negotiated a Joint Managed Risk Agreement (JMRA) with the main PCT cluster and other large PCTs. This provides some predictability over the level of revenue for clinical services which is expected to remain at a steady level at c.£535m per year. The challenges under this arrangement to for the Trust to monitor activity growth and demand management whilst ensuring the Trust has good control on its expenditure.

Pay is a key area of expenditure. Due to overspend early in the 2011/12 year, a strict vacancy control process was established in October 2011, with all vacancy and re-banding applications having to go an Executive Panel for approval. Only approved vacancies can be covered by Bank. This regular review will continue to ensure actual pay costs meet the pay budget over the coming years.

Most non-pay expenditure budgets will have a general inflation rate of 3% across the plan period, with exception of drugs at 4.5%, blood at 0% and other items where there is specific inflation linked budgets and energy.

The CIP target over these 3 years remains to at standard rate of 4%, c£23m. This will be a challenging target and the CIP Board, Executive Management Board and Trust Board are reviewing schemes of internal quality, innovation, productivity and prevention to ensure all possible avenues to become more efficient are explored.

Leadership and Organisational Development

F.The Trust's approach to ensuring effective leadership and adequate management processes and structures over the next three years is:

Key leadership and governance priorities	Key risks (and gaps)	Actions to rectify / mitigate	Milestones 2012/13 2013/14 2014/15
Development of site lead based organisational structure.	Too much autonomy in each site that cause variations in operations across sites.	Assign accountable site leads and teams to ensure strategies/projects are implemented as planned. Regular senior level managers meetings help to converge differences.	Level 2 staff consultation runs April – May with staff appointed in June-July so structure completed by August. Financial plan in 2012/13 year.

Key leadership and governance priorities	Key risks (and gaps)	Actions to rectify / mitigate	Milestones 2012/13 2013/14 2014/15
Continuing to develop an engaging leadership style across the Trust.	Level of buy-in at senior level to plan.	CEO, Executive and Board commitment in place. Regular monitoring of deliver and measures at Executive Management Board and Trust Board. Regular Executive 'back to the floor'.	Internal staff survey.
Developing robust workforce plans for the future and managing key workforce risks such as succession planning, workforce reductions.	Slow development of clear plans and processes to manage workforce risks. Level of integration across health economy.	Clear process in place and all Groups have delivered a Workforce Plan. Executive Team to assess and sign of in June. Working with health economy on plans. Faculty of Education and Faculty Board in place to prioritise learning and development interventions around workforce gaps and risks.	Trust wide workforce plan prepared by June 2012.
Developing leadership capability	Availability of leadership skills to address current and future challenges.	Role design review underway for key roles e.g. clinical leadership. Leadership development programmes running for all levels of leaders via Faculty of Education.	Leaders appraisals April – June 2011. Clinical leadership role design outcomes to be implemented through summer 2011.
Leadership in implementing 'Reshaping HEFT' projects	Degree of accountability in design and execution of projects.	Develop clear project structure with named clinical and operational leads. Set up Programme Board. Review of Capital progress through Finance and Performance Committee.	Programme Board established in Spring 2012. Detailed implementation plans to be developed in 2012. Capital items delivered 2012-2014.
Keeping the Board focussed on key issues.	Board becomes out of touch with issues affecting the Trust and does not respond efficiently to external changes.	Regular Board meetings where current issues are discussed. Annual business plan to incorporate external changes. Consider financial issues for future years in Autumn of each year.	Board agendas, remain within terms of authorisation.

Other Strategic and Operational plans

G.The Trust's other strategic and operational plans over the next three years:

The Trust aims to develop new business models on training, education and research and supporting academia opportunities, such as establishing Academic Health Science Network and being a 'hub' of healthcare research. We would also offer portal access for all staff, and VITAL for Managers and HCAs to develop further on education and leadership. All these schemes are linked to the Trust's strategic priority 'Innovative'.

In March 2011, the NHS in the West Midlands introduced a new trauma care system across the hospitals in the region. Heartlands Hospital has been identified as a designated trauma centre, which is a huge achievement to receive this status in the region. This is in-line with our 'Safe and Caring' priority. This new trauma system aims to improve the patient pathway and ensure we provide the right care to the right patient at the right time.

Regard to the views of Trust Governors

H.The Trust has had regard to the views of Trust Governors by:

A new Committee, Financial and Strategic Planning Committee was set up in the summer of 2011 which consists of 6 governors and representatives from the strategic planning and finance and performance departments within the Trust. There have been 6 meetings of this Committee which has briefed the governors on the overall financial performance of the Trust in 2011/12, the Reshaping HEFT Programme, the three year capital programme and the Annual Plan process. This puts the governors in a more informed position to review the Trust's Annual Plan documents and ensure that this document reflects their thoughts on the Trust's Annual Plan.

The Draft Strategic Document was sent to the Committee for review, comment and feedback in April and an overview of the finances and capital planning was produced at this time. The detailed financials and other documents and final Strategic Document were discussed at the May Committee before being sent to the wider Council of Governors for approval in mid-May.

Appendix 1: Key risks (NOT INTENDED FOR PUBLICATION)

Financial Risks

THIS ITEMS HIGHLIGHT IN YELLOW ARE THOSE WHICH THE TRUST CONSIDERS TO BE COMMERCIALY SENSITIVE, CONFIDENTIAL OR OTHERWISE UNSUITABLE FOR DISCLOSURE

Category of risk	Description of risk (including timing)	Potential impact	Mitigating actions / contingency plans in place	Residual concerns	How Trust Board will monitor residual concerns
Joint Managed Risk Agreement (JMRA)	Activity exceeds planned level would result in overspending.	This would reduce the planned financial surplus and reduce ultimately services the Trust could provide.	<ul style="list-style-type: none"> Recruitment controls in place in Vacancy Control Panel. New Demand Management Committee to meet monthly. 	Unpredictable healthcare demands and inflationary rates.	<p>Periodic reports to Finance and Performance Committee and Trust Board.</p> <p>Regular meetings with Commissioners.</p>
DoH efficiency target	Unachievable CIP levels generate financial pressures to Trust.	Leads to reduction of services or erodes into financial surpluses.	<p>Develop robust 3 year plans to improve productivity and quality via increased economies of scale.</p> <p>Trust wide CIP initiatives.</p>	Diverging management focus on savings targets from delivering quality services to patients.	Regular review of costs at CIP Board and Finance and Performance Committee.
New NHS commissioning regime	Impacts on existing planned income and activity, service development and capital programmes.	Leads to financial uncertainty to the Trust.	Locally engaged with commissioning cluster. HEFT will continue keep up to date on the latest developments and changes.		Key issues and changes reported to Finance and Performance Committee and Trust Board.
Inflationary pressure	Actual inflation rate may be higher than planned, puts	Flat rate income unable to cover	Procurement strategies, such as managed service	Time required for identifying increased inflation and	Regular review costs at CIP Board and Finance and

	pressure on maintaining financial balance	increasing expenditure.	contracts, help to identify cost reduction opportunities.	may change again in a short timeframe.	Performance Committee
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Non-Financial Risks (including quality)

Category of risk	Description of risk (including timing)	Potential impact	Mitigating actions / contingency plans in place	Residual concerns	How Trust Board will monitor residual concerns
<i>Change in organisation structure</i>	Transformation from group structure to site based structure.	Delay in effective management.	Project team with site leads to engage and manage change processes and deliver planned benefits.	Further concerns of staff anxiety for unknown future.	Consultations with staff groups to ensure transitions are smooth.
<i>Demand Management</i>	Changing population and healthcare service demand.	The Trust unable to cope with the high demand with current resources	Ongoing reviews of activity vs plan.	Further concerns over costs and workforce.	Issues reported to Executive Management Board and Trust Board.

Risks to Quality

The Trust Board completed a self assessment of its quality governance arrangements in line with the Monitor compliance framework and at Quarter 3 2011/12 declared that it was compliant with declaration 1 'The board is satisfied that, to the best of its knowledge and using its own processes and having had regard to Monitor's Quality Governance Framework (supported by Care Quality Commission information, its own information on serious incidents, patterns of complaints, and including any further metrics it chooses to adopt), its NHS foundation trust has, and will keep in place, effective arrangements for the purpose of monitoring and continually improving the quality of healthcare provided to its patients'.

The monthly Finance and Performance Committee (FPC) reports include a detailed KPI report on key performance and quality indicators. Where there are concerns about achievement of an indicator an exception report is produced and the relevant operational or clinical manager is present at the committee to explain action plans to bring performance back within expected levels. Any significantly important issues are then escalated to the Trust Board. The Governance and Risk Committee which is chaired by a non-exec and led by the Director of Governance meets regularly and reviews issues that have arisen of a clinical quality nature, and again would escalate issues to Trust Board as appropriate.

In determining the quality priorities in the Quality Accounts 2012/13, local stakeholders groups, service users and Trust volunteers and Governors were invited to attend one of three half-day focus group workshops. These internal and external stakeholders were extensively consulted and engaged.

National audits are a priority for the Trust and are included in each directorate's audit programme. They enable clinicians to compare their clinical practice against standards and to use this information to deliver better outcomes in the quality of treatment and care. During last year, HEFT participated in 90% national audits and 100% national confidential enquiries of the national clinical audits. Internally, the Trust's Safety and Governance Directorate monitors the Trust's participation in all audits through its audit database system. This includes national audits and actions taken in accordance with recommendations. This activity is reported to the Clinical Standards Committee on a 6 monthly basis.

In addition, the Trust is required to register with the Care Quality Commission (CQC) and its current registration status is registered without any conditions. During 2011/12, the Trust had two responsive reviews from the CQC:

- In August 2011, CQC completed an unannounced inspection to review Care and welfare of people who use services (Outcome 4) and Medicines Management (Outcome 9). This inspection found that the Trust was not compliant with Outcome 9. A full action plan has been developed to address the gaps identified from the inspection. Many of the actions have already been completed and the remaining actions are due to be completed by the end of March 2012. An update on the action plan was submitted to the CQC and Monitor in January 2012.
- The January inspection the Trust was found to be compliant with Outcome 4 and Outcome 13 (Staffing).

The Reshaping HEFT programme is another programme that is aimed at driving forward the quality of care provided to the Trust's patients.

Use of external assurance (including internal audit)

The Trust's provider of risk management assurance services, KPMG, have performed a number of detailed audits in the 2011/12 year and have provided reports on its findings to Audit Committee and Governance and Risk Committee. Their programme has included a review of clinical audit and governance systems and processes in the trust, which is a new approach to the Trust. They were also commissioned to perform a review of two specific directorates where senior management were concerned about the performance of these directorates. The Medical Director has taken responsibility for implementing the findings of this report. In addition KPMG performed a review of the Trust's readiness for the Bribery Act and the Director of Corporate Affairs has taken responsibility for implementing the findings of the report.

The 2011/12 Head of Internal Audit opinion reported that substantial assurance could be given that there is a generally sound system of internal control on big financial and management processes.

The NHSLA compliance team performed a follow up visit to the learning and development department to review progress against specific action points and confirmed that the Trust is fully compliant in this area.

There have been a number of regulatory visits to assess the environmental aspects of the Trust and these have all had satisfactory reports or better.

There was a CQC visit to the Trust where a number of action points were raised in respect of medicines management. These points have now all been implemented and CQC have indicated that updates sent to them would indicate compliance and they have a visit planned in May 2012 to confirm this.

Cost Improvement Plans (CIPs) in the Forward Plan period

CIP Design

How have schemes been identified and developed?

One of the Trust's strategic priorities remain to deliver high quality services efficiently and CIP delivery underpins the financial sustainability of the Trust.

CIP schemes have been sourced through a rolling programme of identifying opportunities within the Trust based on expert knowledge of services and informed further by benchmarks and local health/social economy priorities.

This has enabled the development of schemes to be ultimately delivered by the Sites and Directorates. The schemes have been worked up using tried and tested processes including a Quality Risk Assessment and reported through CIP Programme Committee to Trust Board monthly.

In addition over the last year the Trust has:

1. Worked with the wider Health and Social Economy and QIPP agenda to support right care, right place first time. This improves the patient experience whilst delivering efficiencies as it can reduce admissions and length of stay.
2. Developed the "Reshaping HEFT" agenda which has focused on delivering transformational schemes and integrating community services at Solihull.
3. Invested in ICT and capital expenditure to deliver value improvements in staffing resource such as E-Rostering for nursing and Lab Medicine Automation.
4. Worked with the local PCT cluster to develop a joint managed risk agreement that will increase the focus on delivering pathway improvements and reducing demand.

CIP Focus - Top 5 CIP Schemes

Ref	Scheme	Scheme description including how Forward Plan will reduce costs	Under-pinning IT / information or management systems	Total savings £m	Phasing over three year period (%)			WTE Reduction	Has the Forward Plan been subject to a quality impact assessment (Y/N)	Who is responsible for signing off on the quality impact assessment	Key measure of quality for plan	Scheme Lead
					Yr. 1	Yr. 2	Yr. 3					
1	Reduction of posts or staff rationalisation	Reduce number of existing staff or review of job plan.	Knowledge of HR related regulations.	£11.0m	£3.6 m	£3.7 m	£3.7 m	c.233 wte	Yes	CIP Board and Medical Director.	Constant review actions and outcomes at CIP Board.	Group Clinical Directors, General Managers and Operation Managers.
2	Ward Rationalisation (Closure / Relocation / Efficiency)	Closure or merging of wards, or reduce number of beds to reduce staffing and other non-pay costs.	Bed model, theatre model, staff rostering system.	£13.1m	£4.4 m	£4.4 m	£4.4 m	c.283 wte	Yes	CIP Board and Medical Director.	Constant review actions and outcomes at CIP Board. Patient flow KPIs are maintained or improve.	Mainly Group 1 Medical Director and Operational Director.
3	Staff skill mix / Admin & Clerical staff job review / 7 Day Working	Review of job to seek possibility of cost (number of staff or grade) reduction without impact performance.		£10.0m	£3.3 m	£3.4 m	£3.3 m	c. 232 wte	Yes	CIP Board and Medical Director.	Constant review actions and outcomes at CIP Board. FPC review of staff costs, staff costs reduce. Reduction of agency and locum staff.	Group Clinical Directors, General Managers and Operation Managers.

4	Implementation of E-Rostering system	Electronic roster allows more efficient and effective allocation of staff and cautious use of temporary staff.	IT system required.	£3.06m	£1.1m	£1.0m	£0.9m	None but will reduce bank and agency requirements	Yes	Chief Nurse.	Constant review actions and outcomes at CIP Board. Improved scores on patient satisfaction surveys.	Chief Nurse.
5	Drugs related cost savings (efficiency / use of cheaper drugs)	Better use of existing drugs with clear procedures to reduce waste; source alternative drugs.	Guidance of drugs usage; knowledge of procurement guidelines.	£5.0m	£1.7m	£1.7m	£1.7m	0	Yes	CIP Board and Medical Director.	Constant review actions and outcomes at CIP Board.	Group Clinical Directors, General Managers and Operation Managers.

CIP Process

CIP development is an on-going process including a rolling 3 year plan and opportunity matrix. The Trust's processes are consistent with best practice as verified by audit review.

Detailed Annual Planning starts in September of each year for forthcoming year. At directorate level this planning and delivery involves the triumvirate of Clinical Director, Matron and Directorate Business Manager supported by Finance and other support services e.g. HR.

These Plans are reviewed in November and again in January by Confirm and Challenge by Trust Board including the quality / safety assessment. Where resources are required to pump-prime initiatives, business cases for capital or revenue funds are produced.

In year delivery of efficiency is monitored monthly locally within directorates / groups and by the Trust CIP Programme Committee and reported to Finance and Performance Committee and Trust Board with recovery programmes developed as necessary. This includes Performance Support & Management reporting to Chief Executive, Medical & Finance Directors of any significant shortfalls in Groups or Directorates.

CIP Management

How has the Trust gained assurance that its CIP target will be achieved over the next three years?

Organisational Accountability for CIP delivery is held by the Trust Board supported by the management and committee structure. An opportunity matrix is used to identify possible schemes that can then be led at Trust-wide and local levels to delivery through detailed project plans. Plans are reviewed monthly for new schemes and actual delivery at all levels of the Trust.

The Programme Management for the CIP delivery is overseen by an established Committee. Accountability for delivery is the responsibility of the directors of groups and directorates. This includes updates on standard metrics and recovery actions

CIP delivery is risk assessed in three ways:

1. Rating 0-5 for likely delivery
2. Quality and Safety Assessments
3. Accuracy of likely financial delivery

The Trust sets itself a stretch target based on previous experience that some planned schemes may deliver later in the year than planned or not at all. The Executive Management Board has also reviewed CIP schemes and a number of Trust wide initiatives are being considered should the group and directorate plans be insufficient.

The Trust has historically managed its CIP and whilst it is expected that achieving future targets will be a significant challenge, these targets are still expected to be met.

The Birmingham and Solihull Cluster accounts for more than 85% of the Trust's income. The PCTs in the cluster are NHS BEN (Birmingham East and North), Solihull PCT, Heart of Birmingham tPCT and South Birmingham PCT. The Trust has signed contracts for 2012/13 with the cluster and other commissioners and will endeavour to sign contracts with its commissioning bodies every year. There is a framework for contract variations that is followed throughout the year.

As the commissioning environment changes the relevant Trust staff will maintain close working relationships with the key staff at the clusters and their successor organisations with a view to maintaining the excellent understands that have been developed over the last few years.

The Trust has taken a cautious approach to income by keeping it flat across the three year period. Whilst it is working with the commissioners and planning for demand management to have an impact in 2012/13, past experience has shown that the anticipated levels of reductions may not be fully achieved and could be offset by growth elsewhere. The level of activity will be reviewed regularly and if consistent activity reductions are found the Trust will take steps to remove cost.

Key income risk	Amounts and timing		Mitigating actions and delivery risk
	2011/12	2012/13 2013/14	
Commissioner affordability. Current forecast in excess of £25m pa	£25m		<ul style="list-style-type: none"> •Signed contracts in place each year. •Ensure information is provided in line with regulations and timetables. •Regular communication with commissioning bodies, especially over potential problems to identify actions to be taken and if necessary activity to be withdrawn. •New joint managed risk agreement (JMRA).
Contractual and tariff constraints	£30m such as non achievement of CQUINs, New-to-Follow-up, demanding MRDS and C-Diff targets.		<ul style="list-style-type: none"> •Ensure CQUIN targets and all contractual obligations are monitored and achieved. •Communicate changes to directorates and monitor implementation of operational change to match contractual requirement.
Reduction in activity through demand management	£50m		<ul style="list-style-type: none"> •For year one mitigated by JMRA. •Ongoing discussions with commissioners over their intentions and plans. •Tender for work being provided to "any willing provider". •Take swift action where services withdrawn – reassignment of staff or redundancy.

Appendix 3b: Financial commentary: Service Developments (excluding transactions)(NOT INTENDED FOR PUBLICATION)

Service development priorities	Contribution to the overall strategy	Key actions and delivery risk	Key resource requirements	Measures of progress 2012/13 2013/14 2014/15
Organic / innovation:				
Strengthen care pathways for frail elderly patients.	Contributes to the Trust goal of being a safe and caring organisation.	Provide more care in the community and closer to usual place of residence for this patient set.	Multi agency sign up will be required to undertake complete pathway redesign.	Decrease in number of admissions.
Develop an elective treatment centre at Solihull.	Contributes to the Trust goal of being a safe and caring organisation and link to HEFT @ Home.	Plan developed to be the hub of elective treatment.	More work transferred from inpatient; require skill review and patient pathway. Estates resources required.	Decrease length of stay and drive efficiencies. Increase market share.
Establish daycase surgery models.	Contributes to the Trust goal of being an innovative organisation and link to HEFT @ Home.	Plan developed for change of working to suit daycase surgery model (e.g. respiratory).	More work transferred from inpatient; require skill review and patient pathway. Estates resources required.	Decrease length of stay. Patient Experience Survey.
Hybrid Theatre – Interventional Radiology.	Contribute to the 'Innovative' strategic priority.	Communicate with various Groups to develop an effective business plan to Trust Board/Executive Management Board.	Partnership working with commissions. Estates and equipment resources required (c.£5m).	Implement business case. Improved service to vascular and urology patients, Reducing length of stay.
Review of Stroke services in region.	Contributes to the Trust goal of being a Safe and Caring organisation.	Develop review plan on acute and rehabilitation services delivered across 3 hospitals.	Streamlined pathways.	Achieve recognised best practice stroke care. Reduce length of stay.

Service development priorities	Contribution to the overall strategy	Key actions and delivery risk	Key resource requirements	Measures of progress 2012/13 2013/14 2014/15
Organic / innovation:				
Develop a designated trauma unit.	Achieving the new Trust's status in the new trauma system in the region.	Develop framework at a senior multi-disciplinary level to identify overall responsibility.	Require senior level clinical staff engagement and work with all specialities and major trauma centre.	Increased stabilised patients prior transfer to a specialist major trauma centre.
Laboratory Medicine Transformation.	Contribute to the 'Innovative' strategic priority.	Implementation of transformation programme. Implementation of Medical Devices MSC in 2013 costs £4m.	Modernise Laboratory Medicine, automation, workforce, buildings and collaboration with other providers.	Improved turnaround times. Managed Service Contract of automated equipment start from 2013.
Develop Ambulatory Gynaecology model.	Contribute to the 'Innovative' strategic priority.	Increase efficiencies by moving service from daycase to OP with procedure.	Equipment required.	Achievement of best practice tariff. Growth on existing number of procedures.
Cardiac Emergency Chest Pain pathway screening.	Contribute to Trust priority being an innovative organisation.	Develop business case (£200k revenue impact) and expand service to all 3 sites.	Two further machine (£1.2m per machine) required.	Implement pathway. Improved clinical outcomes.
Paediatric Phlebotomy service for GPs and Outpatients.	Contribute to Trust priority being an locally engaged organisation.	Plan approved by Group. Enable GP access.		Better quality and increased income. Supports Junior Doctor Deanery requirements.

Appendix 3c: Financial commentary: Transactions (NOT INTENDED FOR PUBLICATION)

Our Trust has no large-scale mergers and acquisitions planned in the coming 3 years.

The transaction of the Community Services from Solihull Care Trust and Heart of Birmingham tPCT took place on 1st April 2011 due to the national Transforming Community Services agenda, this have been completed successfully.

PFI and Material or Significant Investments:

The Trust currently has 3 small PFI schemes, the front entrance at Heartlands hospital and a CHP scheme at each of Heartlands and Solihull hospitals and only account for c£10m of the Trust's £190m net book value of buildings. The financial assumptions on these have not changed since the schemes were implemented, up to 4 years ago.

There are plans for a further CHP scheme at Good Hope Hospital. This may be funded through PFI or the Trust's own cash.

Appendix 3d: Financial commentary:Activity (NOT INTENDED FOR PUBLICATION)

Key activity priorities	Amounts and timing	Contribution to the overall strategy	Key actions and delivery risk	Key resource requirements	Milestones 2012/13 2013/14 2014/15
HEFT @ Home	Financial incentives from our commissioners. 3 year plan to 2015.	One of the 'Reshaping HEFT' projects and contribute to the Trust being a safe & caring and efficient organisation.	Identify and develop plans how to transact use our expertise to keep our patients well at home instead of staying in hospital.	Engagement with communities providers.	Reduce length of stay Patient Experience Survey.
Ward Rationalisation	Schemes totalling £2.1m in 2012/13 efficiency plans.	Contribute to the Trust's strategic priority - 'Efficient', which may lead to changes to actual level of activity.	Review wards to ensure right wards are used for the right treatments and patients.	Plans with clear reasons for these decisions. Engagement and consultation with ward staff. Estates support in moving and refurbishing wards.	Reduce length of stay. Patient experience and internal staff surveys. Cost reductions.

Key activity priorities	Amounts and timing	Contribution to the overall strategy	Key actions and delivery risk	Key resource requirements	Milestones 2011/12 2012/13 2013/14
Develop an elective treatment centre at Solihull	3 year plan to 2015.	Contributes to the Trust goal of being a safe and caring organisation.	Plan developed to be the hub of elective treatment.	More work transferred from inpatient; require skill review and patient pathway. Estates resources required.	Decrease length of stay and drive efficiencies. Increase market share.
Development of day case models	3 year plan to 2015.	Contributes to the Trust goal of being an innovative organisation.	Plan developed for change of working to suit daycase surgery model (e.g. respiratory).	More work transferred from inpatient; require skill review and patient pathway. Estates resources required.	Decrease length of stay. Patient Experience Survey.
Designated trauma unit	Became a designated trauma centre across the in the region in March 2012.		Develop a framework of managing pathway for the referral of multiply injured trauma patients to specialties.	Engagement with specialty teams. Work in partner with UHB – specialist major trauma centres (MTC).	Increased stabilised patients prior transfer to a specialist major trauma centre.

Appendix 3e: Financial commentary: Workforce (NOT INTENDED FOR PUBLICATION)

Key workforce priorities	Contribution to the overall strategy	Key actions and delivery risk	Key resource requirements	Milestones 2012/13 2013/14 2014/15
Clearer alignment of service, financial and workforce plans	15% savings over 3 years.	<p>Internally to achieve integration of workforce plans as part of business planning cycle.</p> <p>Externally to work collaboratively with colleagues across the health economy to influence service redesign and consequent workforce efficiencies.</p> <p>System architecture changes pose a risk to delivery externally.</p>	<p>Management time in respect of dedicated workforce planning internally and in collaboration with the Cluster and SHA.</p> <p>Potential for IT developments to enhance workforce modelling and assurance.</p>	<p>Establishment of annual business planning cycle including workforce planning.</p> <p>Quality assurance of workforce plans through internal committee structures and utilising the Workforce Assurance Tool from 2012 onwards.</p> <p>Annual workforce savings to be identified through cost improvement plans and annual planning cycle.</p>
Commissioning of training interventions through the faculty of education based on the workforce plans	Ensuring that HEFT has an appropriately skilled workforce for the future, and training needs accurately reflect changes in models of care.	Accuracy of the prediction of future skills requirements through redesigning patient pathways.	Dedicated time to develop training needs analysis, resources from across the health economy.	Review of ongoing training needs as part of strategic workforce planning process with annual Training and Learning Needs Analysis in place.

Key workforce priorities	Contribution to the overall strategy	Key actions and delivery risk	Key resource requirements	Milestones 2012/13 2013/14 2014/15
Effective redeployment plans both internally and externally	Reduce potential severance costs over the plan period.	Regional redeployment pools. New Management of Change Policy to incorporate plans for individuals at risk. New redeployment process launched 2011.	Management of redeployment process internally and liaising with external organisations in relation to regional redeployment pool.	Management of vacancies and number of individuals successfully redeployed, internally and within the regional redeployment pool.
Succession planning	Identification of future leaders and key positions internally and identification of gaps. Strategies to fill these gaps will be developed in the operational groups.	Support and guidance to business units in terms of gathering succession information. Process to be clearly defined.	Management time in identifying key positions, successors and action plans.	Development plans in place for successors through Leadership Development Programmes.

Appendix 3f: Financial commentary: Capital Expenditure (NOT INTENDED FOR PUBLICATION)

All of the schemes are being funded out the Trust's own cash balances.

Key capital expenditure priorities	Amounts and timing (including financing schedules)	Contribution to the strategy (incl. service delivery)	Key actions and delivery risk (inc. finance risks)
Development:			
<p>Heartlands Pathology</p> <p>Transformation: Strategic positioning to remain competitive in the local business environment. Modernisation in line with national Strategy (Ref. The Carter Report) of workforce, equipment & buildings. Protection of quality & service delivery.</p> <p>Cost/VFM: Cost effective service – lower unit cost by non pay & pay efficiencies. Project payback 10 years.</p>	<p>Total project to cost £11.3m without PMO team costs.</p> <p>Expected to be ready for operation May 2013.</p>	<p>Fits with national strategy (as recommended by Lord Carter) to rationalise services by developing a centralised hub & spoke service model for pathology.</p> <p>Provides a central 'core laboratory' which facilitates economies of scale & delivery of high quality diagnostics at a competitive unit cost. The facility will house the final configuration of automated equipment & allow centralisation of all specialised testing.</p> <p>Allows the Trust to compete in the local market & remain a premier provider of pathology services.</p> <p>Allows exploitation of the local market to deliver significant increases in income at reduced cost (project assumes £3.6m additional income from 2015/16).</p> <p>Releases usable space at Good Hope to support the Estate rationalisation Plan.</p> <p>The project is value generative: Net present value £15.8m and positive Income & Expenditure from 2014/15.</p>	<p>Constructions risks.</p> <p>Robotics handover and installation.</p> <p>Timeliness of available / forthcoming information from the Trust.</p> <p>- Close and regular communication with Project sponsor and Design Team. Assumptions to be clearly spelt out within Design information.</p>
<p>Good Hope Daycase Theatre reconfiguration</p> <p>Non-compliance with</p>	<p>Total project expected to cost £5.4m without PMO team</p>	<p>Compliance with Fire Safety regulations.</p> <p>Compliance with single sex</p>	<p>Refurbishment project impacts on the day to day activity of the Theatre Directorate (TD) adversely</p>

<p>fire regulations.</p> <p>Non-compliance with mixed sex legislation in daycase unit at Good Hope.</p> <p>Non-compliance with mixed sex legislation in surgical admissions unit at Good Hope.</p> <p>To use the old endoscopy, Ward 21 & daycase unit foot print to:</p> <ol style="list-style-type: none"> 1. Replace the 2 existing theatres in the Richard Salt Block with 2 new laparoscopic day case theatres. 2. Create a single sex compliant daycase unit. 3. Create single sex compliant surgical admissions unit. 	<p>costs.</p> <p>Expected to be ready for operation Mar 2013.</p>	<p>legislation in day case.</p> <p>Compliance with single sex legislation in surgical admissions unit.</p> <p>Increase laparoscopic capacity to support more day case work.</p> <p>Potential for increasing day surgery capacity.</p>	<p>affecting their performance.</p> <ul style="list-style-type: none"> - Early establishment of construction phasing and logistic plans in conjunction with the contractor. - Early development of robust construction management strategy. - Early engagement with contractor on H&S matters. - Detailed design and construction methodology to be fully developed prior to commencement of any work on site. <p>Potential lack of ownership and direction from key users.</p> <ul style="list-style-type: none"> - Theatres Project Board to consist of appropriate members with clear roles and responsibilities and mandatory attendance (or full deputy).
<p>Good Hope A&E Department reconfiguration</p> <p>To increase the flexibility of use of cubicles through co-locating majors & minors.</p> <p>Provide dedicated paediatric facilities to comply with NSF guidance & provide audio visual separation.</p> <p>Improve patient safety by increasing visibility & condensing the</p>	<p>Total project expected to cost £4.4m without PMO team costs.</p> <p>Expected to be ready for operation Jan 13.</p>	<p>Flexible use of majors & minors cubicles to cope with peaks & troughs in activity.</p> <p>The planned scheme allows for use of all cubicles 24/7 (currently minors department closes at 22.00hrs).</p> <p>Allows all clinical staff to be used flexibly between minors & majors (currently separate departments).</p> <p>Provide the space & environment to drive the benefits from the 2008 ED staff uplift investment by optimising patient flow.</p> <p>Increases number of cubicles by 3 increasing the flexibility of the</p>	<p>Refurbishment project impacts on the clinical operation of the Emergency Department (ED) adversely affecting their performance.</p> <ul style="list-style-type: none"> -Early establishment of construction phasing and logistic plans in conjunction with the contractor. Early development of robust construction management strategy Early engagement with contractor on H&S matters. -Detailed design and construction methodology to be fully developed prior to commencement of any work

<p>service into one area.</p> <p>To improve the aesthetic environment of an old, out dated department.</p>		<p>department.</p> <p>Utilisation of unoccupied estate stock by turning unused waiting areas into clinical space.</p> <p>Will improve the ED's ability to off load ambulances (will not address exist routes).</p> <p>Compliance with infection control standards.</p> <p>Improve the environment to enhance the patient & staff experience & protect status as Emergency 'Provider of Choice'.</p> <p>Improve patient flow by redesigning major's area.</p> <p>Minors patient's will no longer be required to register at reception & then be redirected outside.</p> <p>Improve staff safety by negating the need for lone workers.</p>	<p>on site.</p> <p>Potential lack of ownership and direction from key users.</p> <p>-ED Project Board to consist of appropriate members with clear roles and responsibilities and mandatory attendance (or full deputy).</p>
<p>Heartlands Estates Workshops</p> <p>The Medical Records Block has serious structural defects. In accordance with Structural Engineers' reports, this block must be totally vacated. This block currently houses medical records and the Estates workshop.</p>	<p>£2.8m approved to build the new workshops.</p>	<p>Estates rationalisation programme, together with the Trust's focus on work force planning.</p>	<p>Project is reliant on the Medical Records Project, which was completed April 2012.</p>
<p>Heartlands second Catheter Laboratory (CL) and replacement of Good Hope CL</p> <p>Consolidation of the Percutaneous Coronary</p>	<p>£2.3m approved to build second Cath. Lab.</p>	<p>Compliance with DOH and British Cardiovascular Intervention Society (BCIS) recommendations for PCI.</p> <p>Consolidate the directorates bid to become a provider of PPCI and a leading cardiac centre for the region.</p>	<p>The design is complete and orders have been placed, so risks could arise around project management and execution, and timescales.</p> <p>- regular project meetings.</p>

<p>Intervention (PCI) Service onto one site in line with national guidance.</p> <p>Provide optimal patient care as evidence shows superior clinical outcomes achieved in high volume centres. Improved reperfusion times.</p> <p>Patient satisfaction.</p> <p>Adding to Trust Surplus.</p>		<p>Meet increased demand for the service without compromising elective or non elective work.</p> <p>A second CL will minimise downtime and ensure access to a CL for heart attack patients.</p>	
Maintenance:			
<p>IT, Estates and Groups 1-5 capital allocation for the replacement of medical and ICT equipment, and general maintenance.</p>	<p>£20.8m total across the next three years.</p>	<p>Supports the rolling replacement of the asset base to ensure that safe, effective & efficient services can be provided to the Trust's patients.</p>	<p>Monitoring of spending against plan by Capital Prioritisation Group (CPG). To mitigate risk of unplanned capital requirement hold central contingency & review usage periodically.</p>
Other capital expenditure:			
<p>Document Scanning</p>	<p>12/13 £2.3m and £0.7m per year for next 2 years.</p>	<p>Medical records document scanning, to ensure paperless patient records.</p>	<p>Delay in scanning process mitigated by having a dedicated resource for scanning records.</p>
<p>Strategic projects</p>	<p>£4.0m per year</p>	<p>Various operational and clinical items, e.g. scanners, large infrastructure replacement.</p>	<p>Individual projects will be risk assessed and have an appointed project manager.</p>
Other estates strategy			
<p>Site strategic review, transforming HEFT.</p>	<p>12/13 £2m. 13/14 and 14/15 £20m per year.</p>	<p>Currently a number of projects are being discussed to develop a programme to support transforming HEFT. An outline programme has been approved by Executive Management Board and a 3 year time line developed.</p>	<ul style="list-style-type: none"> - Risk of interrelated projects. - Risk of financial overrun - Regular review by CPG, Site Strategy Programme Board and Executive Management Board.

Appendix 3g: Financial commentary: Costs (NOT INTENDED FOR PUBLICATION)

For 2012/13 the Trust has agreed income with the cluster PCTs under a joint managed risk agreement (JMRA) and it is assumed that the for the plan period clinical revenue level would stay steady at c£535m. Through this JMRA Trust will receive certainty on the income received in year and growth up to a certain level. However, activity above that will be at risk for the Trust to absorb so managers are working on ways to manage demand. This will be a big change of emphasis for the Trust as demand management has traditionally been the PCTs's responsibility,

The Trust is developing plans to achieve the "Efficient", goal with a target to reduce cost by 15% over 3 years and a 50% reduction in the cost of sickness within 3 years. The HR team are continuing to work on existing plans, such as using the Workforce Assurance Tool from 2012 onwards to better align the services, budget and workforce plans, and effectively use the redeployment tool to better manage the vacancies. In all of this the Trust is seeking efficiency rather than pure cost reductions, as providing quality services to our communities remain our most important measure.

Most of our non-pay expenditure budgets are planned at a general inflation rate of 3%, with exception of drugs at 4.5% (29% of the total non-pay budget), Blood has no inflation uplift (2%) and other inflation linked budgets at an average rate of 7.41%. Pay cost is continued to be assumed having no inflation uplift this financial year, though the Agenda for Change banding system would generally increase the pay cost to the Trust.



Heart of England NHS FT

Plan for y/e 31 Mar 2013 (and 2014, 2015)

Customised for Acute FT with MARS ID 'HEART'.

APR template version V3.0.1

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This template approved for issue by Monitor KIM team on 03 Apr 2012 .

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Planned Quarterly Income Statement for HEART

These figures should change in line with your assumptions for future years

	units	sense	Actual for Year ending 31-Mar-12	Plan for Quarter ending 30-Jun-12	Plan for Quarter ending 30-Sep-12	Plan for Quarter ending 31-Dec-12	Plan for Quarter ending 31-Mar-13	Plan for Year ending 31-Mar-13	Plan for Year ending 31-Mar-14	Plan for Year ending 31-Mar-15
Operating										
NHS Clinical Revenue										
NHS Ambulance activity revenue										
A&E - Cost & Volume/PbR revenue	£m	(+ve)		0.000	0.000	0.000	0.000	0.000	0.000	0.000
PTS - Cost & Volume/PbR revenue, PCTs	£m	(+ve)		0.000	0.000	0.000	0.000	0.000	0.000	0.000
PTS - Cost & Volume/PbR revenue, non PCTs	£m	(+ve)		0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other - Cost & Volume/PbR revenue	£m	(+ve)		0.000	0.000	0.000	0.000	0.000	0.000	0.000
A&E - Block Contract revenue	£m	(+ve)		0.000	0.000	0.000	0.000	0.000	0.000	0.000
PTS - Block Contract revenue, PCTs	£m	(+ve)		0.000	0.000	0.000	0.000	0.000	0.000	0.000
PTS - Block Contract revenue, non PCTs	£m	(+ve)		0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other - Block Contract revenue	£m	(+ve)		0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other clinical revenue from mandatory services	£m	(+ve)		0.000	0.000	0.000	0.000	0.000	0.000	0.000
NHS Ambulance activity Income, Total	£m		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
NHS Community activity revenue										
CHANGE Cost & Volume/PbR revenue, inpatient activity	£m	(+ve)		0.000	0.000	0.000	0.000	0.000	0.000	0.000
CHANGE Cost & Volume/PbR revenue, outpatient activity	£m	(+ve)		0.000	0.000	0.000	0.000	0.000	0.000	0.000
CHANGE Cost & Volume/PbR revenue, community based activity	£m	(+ve)		0.000	0.000	0.000	0.000	0.000	0.000	0.000
CHANGE Block Contract revenue, inpatient activity	£m	(+ve)		0.000	0.000	0.000	0.000	0.000	0.000	0.000
CHANGE Block Contract revenue, outpatient activity	£m	(+ve)		0.000	0.000	0.000	0.000	0.000	0.000	0.000
CHANGE Block Contract revenue, community based activity	£m	(+ve)	28.001	6.949	6.949	6.949	6.949	27.794	27.794	27.794
CHANGE Block Contract revenue, other activity	£m	(+ve)		0.000	0.000	0.000	0.000	0.000	0.000	0.000
NHS Community activity revenue, Total	£m	(+ve)	28.001	6.949	6.949	6.949	6.949	27.794	27.794	27.794
NHS Mental Health activity Income										
High Cost Low Volume Activity - Cost & Volume Contract revenue	£m	(+ve)		0.000	0.000	0.000	0.000	0.000	0.000	0.000
Short term episodic treatment - Cost & Volume Contract revenue	£m	(+ve)		0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other - Cost & Volume Contract revenue	£m	(+ve)						0.000		
Block contract #1 <please specify commissioner1>	£m	(+ve)		0.000	0.000	0.000	0.000	0.000	0.000	0.000
Block contract #2 <please specify commissioner2>	£m	(+ve)		0.000	0.000	0.000	0.000	0.000	0.000	0.000
Block contract #3 <please specify commissioner3>	£m	(+ve)		0.000	0.000	0.000	0.000	0.000	0.000	0.000
Block contract #4 <please specify commissioner4>	£m	(+ve)		0.000	0.000	0.000	0.000	0.000	0.000	0.000
Clinical Partnerships providing mandatory services (including S31 a	£m	(+ve)		0.000	0.000	0.000	0.000	0.000	0.000	0.000
Clinical income for the Secondary Commissioning of mandatory ser	£m	(+ve)		0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other clinical income from mandatory services	£m	(+ve)						0.000		
NHS Mental Health activity Income, Total	£m		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
NHS Acute Activity Income										
Elective inpatients										
Tariff revenue	£m	(+ve)	46.070	11.165	11.409	11.759	12.187	46.520	46.520	46.520
Non-Tariff revenue	£m	(+ve)	0.088	0.013	0.014	0.014	0.014	0.055	0.055	0.055
Elective activity revenue, Total	£m		46.158	11.178	11.423	11.773	12.201	46.575	46.575	46.575
Elective day case patients (Same day)										
Tariff revenue	£m	(+ve)	45.202	10.547	10.950	11.150	11.299	43.947	43.947	43.947
Non-Tariff revenue	£m	(+ve)	3.123	0.894	0.954	0.954	0.924	3.727	3.727	3.727
Elective Day Case activity revenue, Total	£m		48.325	11.442	11.905	12.105	12.223	47.674	47.674	47.674
Non-Elective patients										
Tariff revenue	£m	(+ve)	167.120	42.875	42.846	43.146	43.104	171.970	171.970	171.970
Non-Tariff revenue	£m	(+ve)	8.172	1.997	2.018	2.018	1.975	8.008	8.008	8.008
Non-Elective activity revenue, Total	£m		175.292	44.871	44.864	45.164	45.078	179.978	179.978	179.978
Outpatients										
Tariff revenue	£m	(+ve)	81.529	19.184	19.463	20.213	21.074	79.935	79.935	79.935
Non-Tariff revenue	£m	(+ve)	10.951	2.686	2.865	2.865	2.776	11.193	11.193	11.193
Outpatients activity revenue, Total	£m		92.480	21.871	22.329	23.079	23.850	91.128	91.128	91.128
A&E										
Tariff revenue	£m	(+ve)	21.021	5.218	5.276	5.276	5.161	20.931	20.931	20.931
Non-Tariff revenue	£m	(+ve)	0.237	0.057	0.058	0.058	0.057	0.230	0.230	0.230
A&E activity revenue, Total	£m		21.258	5.276	5.334	5.334	5.218	21.161	21.161	21.161
Other NHS activity										
Tariff revenue	£m	(+ve)	0.535	0.138	0.140	0.140	0.137	0.555	0.555	0.555
Non-Tariff revenue	£m	(+ve)	121.619	29.922	29.751	30.251	30.093	120.018	120.018	120.018
Other NHS activity revenue, Total	£m		122.154	30.061	29.891	30.391	30.230	120.573	120.573	120.573
Total NHS Tariff income	£m		361.477	89.128	90.084	91.684	92.961	363.858	363.858	363.858
Total NHS Non-Tariff income	£m		144.190	35.570	35.661	36.161	35.839	143.231	143.231	143.231
NHS Acute Activity Income, Total	£m		505.667	124.698	125.746	127.846	128.800	507.089	507.089	507.089
Sub-total NHS Clinical Revenue	£m		533.668	131.647	132.694	134.794	135.748	534.883	534.883	534.883
CHANGE Contract penalties or adjustments not included above	£m	(+ve)						0.000		
NHS Clinical Revenue, Total	£m		533.668	131.647	132.694	134.794	135.748	534.883	534.883	534.883
Non Mandatory/Non protected revenue										
Private patient revenue	£m	(+ve)	0.780	0.158	0.158	0.158	0.158	0.634	0.650	0.700
Other Non Mandatory/Non protected clinical revenue	£m	(+ve)						0.000		
Non Mandatory/Non protected revenue, Total	£m		0.780	0.158	0.158	0.158	0.158	0.634	0.650	0.700
Other Operating Revenue										
Research and development revenue	£m	(+ve)	3.579	0.632	0.632	0.632	0.632	2.528	2.654	2.787
Education and training revenue	£m	(+ve)	18.573	4.276	4.276	4.276	4.276	17.102	17.445	17.793
PFI specific revenue	£m	(+ve)	0.477	0.123	0.123	0.123	0.123	0.493	0.508	0.525
Donations received in cash & to fund Operating Expenses	£m	(+ve)						0.000		
Grants received in cash & to fund Operating Expenses	£m	(+ve)						0.000		
Donations & Grants received of PPE & intangible assets (see comment)	£m	(+ve)	0.204	0.050	0.050	0.050	0.050	0.200	0.200	0.200
Parking revenue	£m	(+ve)	4.039	1.057	1.057	1.057	1.057	4.227	4.312	4.398
Catering revenue	£m	(+ve)	1.120	0.346	0.346	0.346	0.346	1.383	1.411	1.439
Accommodation revenue	£m	(+ve)	0.255	0.060	0.060	0.060	0.060	0.239	0.243	0.248
Revenue from non-patient services to other bodies	£m	(+ve)	27.605	6.250	6.250	6.250	6.250	25.000	25.000	25.000
Misc. other operating revenue	£m	(+ve)	16.730	2.118	2.118	2.118	2.118	8.472	3.026	3.590
Other Operating revenue, Total	£m		72.582	14.911	14.911	14.911	14.911	59.645	54.799	55.981
Operating Revenue, IFRS, Total	£m		607.030	146.716	147.764	149.864	150.818	595.161	590.332	591.564
Operating Expenses										
Raw Materials and Consumables Used										
Drugs	£m	(-ve)	(43,769)	(10,152)	(10,575)	(10,998)	(10,575)	(42,301)	(42,946)	(43,619)
Clinical supplies	£m	(-ve)	(63,212)	(13,309)	(13,864)	(14,419)	(13,864)	(55,456)	(53,022)	(54,048)
Decrease (increase) in inventories of finished goods & WIP	£m	(-ve)						0.000		
Vehicle Fuel costs (ambulance trusts)	£m	(-ve)						0.000		
Non-clinical supplies	£m	(-ve)	(15,937)	(3,622)	(3,622)	(3,622)	(3,622)	(14,489)	(15,104)	(15,064)
Raw Materials and Consumables Used, Total	£m		(122,918)	(27,084)	(28,061)	(29,039)	(28,061)	(112,245)	(111,072)	(112,731)
Ambulance trust vehicle operating expenses										
Vehicle insurance costs	£m	(-ve)						0.000		
Vehicle leasing costs	£m	(-ve)						0.000		
Vehicle maintenance/Other Costs	£m	(-ve)						0.000		
Ambulance trusts vehicle operating expenses, Total	£m		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Cost of Secondary Commissioning of mandatory services	£m	(-ve)						0.000		
Employee Expenses [was "Pay"]	£m									
Employee expenses, permanent staff	£m	(-ve)	(368,878)	(92,714)	(91,351)	(93,025)	(91,012)	(368,102)	(366,448)	(366,790)
Employee expenses, agency & contract staff	£m	(-ve)	(14,519)	(2,426)	(2,426)	(2,815)	(4,271)	(11,938)	(9,721)	(8,391)
Employee Expenses, Total	£m		(383,496)	(95,140)	(93,777)	(95,840)	(95,283)	(380,040)	(376,169)	(375,181)
Research & Development expense	£m	(-ve)	(2,217)	(0,570)	(0,570)	(0,570)	(0,570)	(2,278)	(2,405)	(2,537)

Worksheet "SoCI"

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Planned Quarterly Income Statement for HEART

These figures should change in line with your assumptions for future years

			Actual for	Plan for	Plan for	Plan for	Plan for	Plan for	Plan for	Plan for	
	units	sense	Year ending	Quarter	Quarter	Quarter	Quarter	Quarter	Year ending	Year ending	Year ending
			31-Mar-12	30-Jun-12	30-Sep-12	31-Dec-12	31-Mar-13		31-Mar-13	31-Mar-14	31-Mar-15
Education and training expense	£m	(-ve)	(1.898)	(0.412)	(0.412)	(0.412)	(0.412)		(1.649)	(1.666)	(1.682)
Consultancy expense	£m	(-ve)	(1.506)	(0.341)	(0.341)	(0.341)	(0.341)		(1.363)	(1.413)	(1.413)
Misc. other Operating expenses	£m	(-ve)	(55.870)	(13.205)	(13.205)	(13.205)	(13.205)		(52.819)	(53.213)	(53.562)
(Increase)/decrease in Provisions, Current and Non-Current, net	£m	(+/-ve)							0.000		
(Increase)/decrease in Impairment of receivables, Current and Non-PFI operating expenses	£m	(+/-ve)	(2.365)	(0.083)	(0.083)	(0.083)	(0.083)		(0.333)	(0.333)	(0.333)
PFI unitary payment	£m	(-ve)	(0.895)	(0.224)	(0.224)	(0.224)	(0.224)		(0.895)	(0.952)	(0.980)
IFRIC12 revenue/(expense) adjustment	£m	(+/-ve)							0.000		
Other PFI expenses	£m	(-ve)							0.000		
PFI operating expenses, total	£m	(-ve)	(0.895)	(0.224)	(0.224)	(0.224)	(0.224)		(0.895)	(0.952)	(0.980)
Operating Expenses within EBITDA, Total	£m		(570.965)	(137.058)	(136.673)	(139.713)	(138.179)		(551.623)	(547.222)	(548.421)
Depreciation and Amortisation											
Depreciation and Amortisation - owned assets	£m	(-ve)	(19.819)	(5.691)	(5.691)	(5.691)	(5.691)		(22.764)	(22.764)	(22.764)
Depreciation and Amortisation - assets held under finance lease	£m	(-ve)	(0.111)	(0.028)	(0.028)	(0.028)	(0.028)		(0.111)	(0.111)	(0.111)
Depreciation and Amortisation - PFI assets	£m	(-ve)	(0.125)	(0.031)	(0.031)	(0.031)	(0.031)		(0.125)	(0.125)	(0.125)
Depreciation and Amortisation, Total	£m		(19.855)	(5.750)	(5.750)	(5.750)	(5.750)		(23.000)	(23.000)	(23.000)
Impairment (Losses) / Reversals net (on non-PFI assets)	£m	(+/-ve)							0.000	0.000	0.000
Impairment (Losses)/ Reversals net on PFI assets	£m	(+/-ve)							0.000		
Restructuring Costs	£m	(-ve)							0.000		
Operating Expenses excluded from EBITDA, Total	£m	(-ve)	(19.855)	(5.750)	(5.750)	(5.750)	(5.750)		(23.000)	(23.000)	(23.000)
Operating Expenses IFRS, Total			(590.820)	(142.808)	(142.423)	(145.463)	(143.929)		(574.623)	(570.222)	(571.421)
Surplus (Deficit) from Operations			16.210	3.908	5.341	4.400	6.889		20.538	20.110	20.143
Non Operating											
Non-Operating income											
Finance Income [for non-financial activities]											
Gain (Loss) on Financial Instruments Designated as Cash Flow Hec	£m	(+ve)							0.000		
Gain (Loss) on Derecognition of Available-for-Sale Financial Assets	£m	(+ve)							0.000		
Gain (Loss) on Derecognition of Non-Current Assets Not Held for S	£m	(+ve)							0.000		
Gain (Loss) on Investments & Inv. Property (NOT charitable funds)	£m	(+ve)							0.000		
Interest Income	£m	(+ve)	1.365	0.234	0.234	0.234	0.234		0.935	0.935	0.935
Dividend Income	£m	(+ve)							0.000		
Share of profit (loss) from equity accounted Associates, Joint Ventures											
Share of Private Patient Income from equity accounted Associa	£m	(+ve)							0.000		
Share of non Private Patient Income from equity accounted Ass	£m	(+ve)							0.000		
Share of expenses from equity accounted Associates, Joint Ver	£m	(-ve)							0.000		
Share of profit (loss) from equity accounted Associates, Joint	£m		0.000	0.000	0.000	0.000	0.000		0.000	0.000	0.000
Finance Income [for non-financial activities], Total	£m		1.365	0.234	0.234	0.234	0.234		0.935	0.935	0.935
Other Non-Operating income	£m										
Gain/(loss) on asset disposals	£m	(+/-ve)	(2.034)	(0.030)	(0.030)	(0.030)	(0.030)		(0.120)	(0.120)	(0.120)
Income of NHS Charitable funds (if consolidated)	£m	(+ve)							0.000	1.500	1.500
Gain (Loss) of NHS Charitable funds' investments (if consol.)	£m	(+ve)							0.000		
Other Non-Operating income	£m	(+ve)							0.000		
Other Non-Operating income, Total	£m		(2.034)	(0.030)	(0.030)	(0.030)	(0.030)		(0.120)	1.380	1.380
Non-Operating income, Total	£m		(0.669)	0.204	0.204	0.204	0.204		0.815	2.315	2.315
Non-Operating expenses											
Finance Costs [for non-financial activities]											
Interest Expense											
Interest Expense on Overdrafts and Working Capital Faciliti	£m	(-ve)							0.000		
Interest Expense on Bridging loans	£m	(-ve)							0.000		
Interest Expense on Non-commercial borrowings	£m	(-ve)							0.000		
Interest Expense on Commercial borrowings	£m	(-ve)							0.000		
Interest Expense on Finance leases (non-PFI)	£m	(-ve)	(0.163)	(0.041)	(0.041)	(0.041)	(0.041)		(0.165)	(0.139)	(0.129)
Interest Expense on PFI leases & liabilities	£m	(-ve)	(0.162)	(0.038)	(0.038)	(0.038)	(0.038)		(0.152)	(0.143)	(0.134)
Interest Expense, Total	£m		(0.325)	(0.079)	(0.079)	(0.079)	(0.079)		(0.317)	(0.282)	(0.263)
Other Finance Costs	£m	(-ve)	(0.015)						0.000		
PDC dividend expense	£m	(-ve)	(8.626)	(2.409)	(2.409)	(2.409)	(2.409)		(9.635)	(9.635)	(9.635)
Finance Costs [for non-financial activities], Total	£m		(8.865)	(2.488)	(2.488)	(2.488)	(2.488)		(9.952)	(9.917)	(9.898)
Other Non-Operating expenses											
Non-Operating PFI costs (eg contingent rent)	£m	(-ve)							0.000		
Expenditure of NHS Charitable Funds (if consolidated)	£m	(-ve)							0.000	(1.500)	(1.500)
Other Non-Operating expenses (developments)	£m	(-ve)		0.000	0.000	0.000	0.000		0.000	0.000	0.000
Misc Other Non-Operating expenses	£m	(-ve)							0.000		
Other Non-Operating expenses, Total	£m		0.000	0.000	0.000	0.000	0.000		0.000	(1.500)	(1.500)
Non-Operating expenses, Total	£m		(8.865)	(2.488)	(2.488)	(2.488)	(2.488)		(9.952)	(11.417)	(11.398)
Surplus (Deficit) before Tax	£m		6.676	1.624	3.057	2.116	4.605		11.401	11.008	11.060
Income Tax (expense)/ refund	£m	(+/-ve)							0.000		
Surplus (Deficit) After Tax	£m		6.676	1.624	3.057	2.116	4.605		11.401	11.008	11.060
Profit/(loss) from discontinued Operations, Net of Tax	£m	(+/-ve)							0.000		
Surplus (Deficit) After Tax from Continuing Operations	£m		6.676	1.624	3.057	2.116	4.605		11.401	11.008	11.060
Elements of Comprehensive Income											
Share of comprehensive income from associates and joint ventures	£m	(+/-ve)							0.000		
Revaluation gains/(losses) straight to revaluation reserve	£m	(+/-ve)							0.000		
Impairments/(reversals) straight to revaluation reserve	£m	(+/-ve)							0.000		
Fair Value gains/(losses) straight to reserves	£m	(+/-ve)							0.000		
Additions/(reduction) in "Other reserves"	£m	(+/-ve)							0.000		
Other recognised gains and losses	£m	(+/-ve)							0.000		
Actuarial gains/(losses) on defined benefit pension schemes	£m	(+/-ve)							0.000		
Total			0.000	0.000	0.000	0.000	0.000		0.000	0.000	0.000
Total Comprehensive Surplus(Deficit)			6.676	1.624	3.057	2.116	4.605		11.401	11.008	11.060
Memorandum lines											
Total Revenue	£m		606.361	146.920	147.967	150.067	151.022		595.976	592.647	593.879
Total Expenses	£m		(599.685)	(145.296)	(144.911)	(147.951)	(146.417)		(584.575)	(581.639)	(582.819)
Total Operating Revenue for EBITDA	£m		606.826	146.666	147.714	149.814	150.768		594.961	590.132	591.364
Total Operating Expenses for EBITDA	£m		(570.965)	(137.058)	(136.673)	(139.713)	(138.179)		(551.623)	(547.222)	(548.421)
EBITDA (for FRR calculation)	£m		35.861	9.608	11.041	10.100	12.589		43.338	42.910	42.943
Operating Surplus (Deficit)	£m		16.210	3.908	5.341	4.400	6.889		20.538	20.110	20.143
Surplus (Deficit) After Tax (for FRR calculation)	£m		6.676	1.624	3.057	2.116	4.605		11.401	11.008	11.060

Worksheet "SoFP"

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Planned Quarterly Statement of Position for HEART

These figures should change in line with your assumptions for future years

	units	sense	Actual at 31-Mar-12	Plan at 30-Jun-12	Plan for 30-Sep-12	Plan for 31-Dec-12	Plan for 31-Mar-13	Plan for 31-Mar-13	Plan for 31-Mar-14	Plan for 31-Mar-15
Assets										
Assets, Non-Current										
Intangible Assets, Net										
Property, Plant and Equipment, Net	Em	(+ve)	3,698	4,123	4,548	4,973	5,398	5,398	5,375	5,283
On balance sheet PFI assets, Non-Current	Em	(+ve)	289,226	291,077	295,823	300,277	297,254	297,254	314,722	332,259
PFI: Property, Plant and Equipment, Net										
PFI Other Assets	Em	(+ve)	4,659	4,628	4,597	4,566	4,534	4,534	4,409	4,284
On balance sheet PFI assets, Non-Current, Total	Em	(+ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Investment Property	Em	(+ve)	4,659	4,628	4,597	4,566	4,534	4,534	4,409	4,284
Investments, Non-Current	Em	(+ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Investments in Subsidiaries, at Cost	Em	(+ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Investments in Associates, at Cost	Em	(+ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Investments in Joint Ventures, at Cost	Em	(+ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Other Investments, at Cost	Em	(+ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Investments, Non-Current, Total	Em	(+ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Deferred Tax Assets	Em	(+ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Trade and Other Receivables, Non-Current	Em	(+ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
NHS Trade Receivables, Non-Current, Gross	Em	(+ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Non NHS Trade Receivables, Non-Current, Gross	Em	(+ve)	2,680	2,700	2,700	2,700	2,700	2,700	2,600	2,600
Other related party receivables	Em	(+ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Other Receivables, Non-Current	Em	(+ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Impairment of Receivables for Bad & doubtful debts, Non-Current	Em	(-ve)	(1,187)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Trade and Other Receivables, Net, Non-Current, Total	Em	(+ve)	1,493	1,700	1,700	1,700	1,700	1,700	1,600	1,600
Prepayments, Non-Current	Em	(+ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Prepayments, Non-current, PFI related (eg lifecycle assets)	Em	(+ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Prepayments, Non-current, non-PFI related	Em	(+ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Prepayments, Non-Current, Total	Em	(+ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Other Financial Assets, Non-Current	Em	(+ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Derivatives and embedded derivatives	Em	(+ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Other Financial Assets, Non-Current	Em	(+ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Other Financial Assets, Non-Current, Total	Em	(+ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Off balance sheet PFI assets, Non-Current	Em	(+ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
PFI Residual interest	Em	(+ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
PFI Deferred Assets	Em	(+ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Off balance sheet PFI assets, Non-Current, Total	Em	(+ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Other Assets, Non-Current	Em	(+ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Non-Current Assets held by charitable funds	Em	(+ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Other Assets, Non-Current	Em	(+ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Other Assets, Non-Current, Total	Em	(+ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Assets, Non-Current, Total	Em	(+ve)	299,076	301,529	306,668	311,516	308,886	308,886	326,106	343,426
Assets, Current										
Inventories	Em	(+ve)	7,874	8,000	8,000	7,000	8,000	8,000	8,000	8,000
Current Tax Receivables	Em	(+ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Trade and Other Receivables, Current	Em	(+ve)	13,565	11,000	15,000	15,000	18,000	18,000	13,000	13,000
NHS Trade Receivables, Current, Gross	Em	(+ve)	10,730	7,500	8,000	8,000	8,000	8,000	9,000	9,000
Non NHS Trade Receivables, Current, Gross	Em	(+ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Other related party receivables, Gross	Em	(+ve)	1,195	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Other Receivables, Current, Gross	Em	(+ve)	(10,482)	(10,083)	(10,166)	(10,249)	(10,332)	(10,332)	(10,665)	(10,998)
Impairment of Receivables, Current (for bad & doubtful debts)	Em	(-ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Trade and Other Receivables, Net, Current, Total	Em	(+ve)	15,008	9,617	14,034	13,951	16,868	16,868	12,535	12,202
Other Financial Assets, Current	Em	(+ve)	2,323	2,500	3,500	3,300	3,000	3,000	2,800	2,800
Accrued Income	Em	(+ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Derivatives and embedded derivatives assets, current	Em	(+ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Available for Sale financial assets	Em	(+ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
PDC dividend overpayment receivable	Em	(+ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Deposits and Investments (illiquid or non-'safe harbour')	Em	(+ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Other Financial Assets, Current	Em	(+ve)	2,323	2,500	3,500	3,300	3,000	3,000	2,800	2,800
Other Financial Assets, Current, Total	Em	(+ve)	2,323	2,500	3,500	3,300	3,000	3,000	2,800	2,800
Prepayments, Current	Em	(+ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Prepayments, Current, PFI related not lifecycle assets	Em	(+ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Prepayments, Current, PFI related for Lifecycle assets (only)	Em	(+ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Prepayments, Current, non-PFI related	Em	(+ve)	6,128	6,064	10,000	11,000	11,000	11,000	11,000	11,000
Prepayments, Current, Total	Em	(+ve)	6,128	6,064	10,000	11,000	11,000	11,000	11,000	11,000
Cash and Cash Equivalents	Em	(+ve)	97,155	99,000	91,000	89,000	75,100	75,100	55,100	43,100
Cash with Government Banking Service	Em	(+ve)	0,010	98,000	90,000	88,000	0,100	0,100	0,100	0,100
Cash with commercial banks and in hand	Em	(+ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Deposits and Investments (liquid and 'safe harbour')	Em	(+ve)	97,165	99,000	91,000	89,000	75,100	75,100	55,100	43,100
Cash and Cash Equivalents, Total	Em	(+ve)	97,165	99,000	91,000	89,000	75,100	75,100	55,100	43,100
Other Assets, Current	Em	(+ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Current Assets held by charitable funds	Em	(+ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Non-Current Assets held for sale	Em	(+ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Other Assets, Current	Em	(+ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Other Assets, Current, Total	Em	(+ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Assets, Current, Total	Em	(+ve)	128,498	125,181	126,534	124,251	113,968	113,968	89,435	77,102
ASSETS, TOTAL	Em	(+ve)	427,574	426,710	433,202	435,767	422,854	422,854	415,541	420,528
Liabilities										
Liabilities, Current										
Interest-Bearing Borrowings, Current										
Bank Overdraft	Em	(-ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Drawdown in Committed Facility	Em	(-ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Bridging loans, Current	Em	(-ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Loans, non-commercial, Current (DH, FTFF, NLF, etc)	Em	(-ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Loans, commercial, Current	Em	(-ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Interest-Bearing Borrowings, Current, Total	Em	(-ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Non-Interest-Bearing Borrowings, Current	Em	(-ve)	(9,371)	(11,000)	(9,000)	(7,000)	(5,000)	(5,000)	(5,000)	(5,000)
Deferred Income, Current	Em	(-ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Deferred Grant Income, Current	Em	(-ve)	(5,945)	(5,445)	(5,345)	(5,245)	(5,145)	(5,145)	(4,745)	(4,345)
Provisions, Current	Em	(-ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Post-Employment Benefit Obligation, Current	Em	(-ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Current Tax Payables	Em	(-ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Trade and Other Payables, Current	Em	(-ve)	(9,249)	(1,389)	(1,389)	(1,389)	(1,389)	(1,389)	(1,389)	(1,389)
Trade Payables, Current	Em	(-ve)	(2,489)	(2,200)	(2,000)	(1,300)	(2,500)	(2,500)	(2,500)	(2,500)
Other Payables, Current	Em	(-ve)	(6,760)	(9,189)	(9,389)	(9,089)	(8,889)	(8,889)	(8,889)	(8,889)
Capital Payables, Current	Em	(-ve)	(13,107)	(12,838)	(12,638)	(11,938)	(11,889)	(11,889)	(12,276)	(12,144)
Trade and Other Payables, Current, Total	Em	(-ve)	(22,458)	(14,778)	(14,688)	(13,327)	(14,389)	(14,389)	(14,389)	(14,389)
Other Financial Liabilities, Current	Em	(-ve)	(42,153)	(35,546)	(43,866)	(44,823)	(31,999)	(31,999)	(16,339)	(13,576)
Accruals, Current	Em	(-ve)	(0,256)	(0,256)	(0,256)	(0,256)	(0,256)	(0,256)	(0,256)	(0,256)
Payments on Account	Em	(-ve)	(0,224)	(0,224)	(0,224)	(0,224)	(0,224)	(0,224)	(0,224)	(0,224)
Finance Leases, Current	Em	(-ve)	(2,408)	(2,408)	(2,408)	(2,408)	(2,408)	(2,408)	(2,408)	(2,408)
PFI leases, Current	Em	(-ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
PDC dividend payable, Current	Em	(-ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Derivatives and embedded derivatives liabilities, current	Em	(-ve)	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000
Interest payable on bridging loans, current										

Worksheet "SoFP"

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Planned Quarterly Statement of Position for HEART

These figures should change in line with your assumptions for future years

	units	sense	Actual at 31-Mar-12	Plan at 30-Jun-12	Plan for 30-Sep-12	Plan for 31-Dec-12	Plan for 31-Mar-13	Plan for 31-Mar-13	Plan for 31-Mar-14	Plan for 31-Mar-15
Other Liabilities, Current										
Donation income deferred to future periods	£m	(-ve)						0.000		
Liabilities in disposal groups classified as held for sale	£m	(-ve)						0.000		
Liabilities held by Charitable Funds, Current	£m	(-ve)						0.000		
Other Accrued Liabilities, Current	£m	(-ve)						0.000		
Other Liabilities, Current	£m	(-ve)						0.000		
Other Liabilities, Current, Total	£m		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Liabilities, Current, Total	£m		(70.656)	(67.717)	(71.329)	(71.894)	(54.513)	(54.513)	(38.840)	(35.545)
NET CURRENT ASSETS (LIABILITIES)	£m		57.842	57.464	55.205	52.357	59.455	59.455	50.595	41.557
Liabilities, Non-Current										
Interest-Bearing Borrowings, Non-Current										
Loans, Non-Current, non-commercial (DH, FTFF, NLF, etc)	£m	(-ve)						0.000		
Loans, Non-Current, commercial	£m	(-ve)						0.000		
Interest-Bearing Borrowings, Non-Current, Total	£m		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Non-Interest-Bearing Borrowings, Non-Current										
Deferred Income, Non-Current	£m	(-ve)						0.000		
Deferred Grant Income, Non-Current	£m	(-ve)						0.000		
Provisions, Non-Current	£m	(-ve)	(3.361)	(3.889)	(3.789)	(3.750)	(3.689)	(3.689)	(3.409)	(3.009)
Post-Employment Benefit Obligation, Non-Current	£m	(-ve)						0.000		
Deferred Tax liabilities	£m	(-ve)						0.000		
Trade and Other Payables, Non-Current	£m							0.000		
Trade Creditors, Non-Current	£m	(-ve)						0.000		
Other Creditors, Non-Current	£m	(-ve)						0.000		
Trade and Other Payables, Non-Current, Total	£m		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Financial Liabilities, Non-Current										
Finance Leases, Non-current	£m	(-ve)	(1.972)	(1.945)	(1.918)	(1.890)	(1.863)	(1.863)	(1.746)	(1.618)
PFI leases, Non-Current	£m	(-ve)	(2.968)	(2.918)	(2.869)	(2.820)	(2.770)	(2.770)	(2.573)	(2.376)
Derivatives and embedded derivatives liabilities, non-current	£m	(-ve)						0.000		
Other Financial Liabilities, Non-Current	£m	(-ve)						0.000		
Other Financial Liabilities, Non-Current, Total	£m		(4.940)	(4.863)	(4.786)	(4.710)	(4.634)	(4.634)	(4.319)	(3.994)
Other Liabilities, Non-Current										
Donated Assets deferred Income, Non-Current	£m	(-ve)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Liabilities held by Charitable Funds, Non-Current	£m	(-ve)						0.000		
Other Liabilities, Non-Current	£m	(-ve)						0.000		
Other Liabilities, Non-Current, Total	£m		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Liabilities, Non-Current, Total	£m		(8.301)	(8.752)	(8.575)	(8.460)	(8.323)	(8.323)	(7.728)	(7.003)
TOTAL ASSETS EMPLOYED	£m		348.618	350.241	353.297	355.413	360.018	360.018	368.973	377.980
Taxpayers' and Others' Equity										
Non Controlling interest (was Minority Interest)										
Non Controlling interest	£m	(+ve)						0.000		
Taxpayers Equity										
Public dividend capital	£m	(+ve)	211.114	211.114	211.114	211.114	211.114	211.114	211.114	211.114
Retained Earnings (Accumulated Losses)	£m	(+ve)	52.333	54.641	58.382	61.182	66.471	66.471	78.163	89.907
Charitable Funds	£m	(+ve)						0.000		
Other Reserves										
Pensions Reserve	£m	(+ve)						0.000		
Revaluation Reserve	£m	(+ve)	85.339	84.655	83.971	83.286	82.602	82.602	79.865	77.128
Available for Sale Reserve	£m	(+ve)						0.000		
Merger Reserve	£m	(+ve)						0.000		
Miscellaneous Other Reserves	£m	(+ve)	(0.169)	(0.169)	(0.169)	(0.169)	(0.169)	(0.169)	(0.169)	(0.169)
Other Reserves, Total	£m		85.170	84.486	83.802	83.117	82.433	82.433	79.696	76.959
TAXPAYERS EQUITY, TOTAL	£m		348.617	350.241	353.297	355.413	360.018	360.018	368.973	377.980
TOTAL ASSETS EMPLOYED	£m		348.617	350.241	353.297	355.413	360.018	360.018	368.973	377.980
	Check		TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
Memorandum lines										
Working Capital Facility										
Committed Working capital facility in place	£m	(+ve)	0.000	0.000	0.000	0.000	0.000	0.000		

Worksheet "SoCF"

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Planned Quarterly Cash Flow Statement for HEART

These figures should change in line with your assumptions for future years

	units	sense	Actual for Year ending 31-Mar-12	Plan for Quarter to 30-Jun-12	Plan for Quarter to 30-Sep-12	Plan for Quarter to 31-Dec-12	Plan for Quarter to 31-Mar-13	Plan for Year ending 31-Mar-13	Plan for Year ending 31-Mar-14	Plan for Year ending 31-Mar-15
Surplus/(deficit) after tax	£m		6.676	1.624	3.057	2.116	4.605	11.401	11.008	11.060
non-cash flows in operating surplus/(deficit)										
Tax expense	£m	(+ve)		0.000	0.000	0.000	0.000	0.000	0.000	0.000
Finance income/charges	£m	(+ve)	(1.365)	(0.234)	(0.234)	(0.234)	(0.234)	0.000	(0.935)	(0.935)
Share of profit/(loss) from equity accounted investments net of cash distributions rece	£m	(+ve)						0.000		
Other operating non-cash movements	£m	(+ve)	(0.204)	(0.109)	(2.590)	3.107	4.447	4.855	0.200	0.200
Depreciation and amortisation, total	£m	(+ve)	19.854	5.750	5.750	5.750	5.750	23.000	23.000	23.000
Impairment losses/(reversals)	£m	(+ve)		0.000	0.000	0.000	0.000	0.000	0.000	0.000
Unrealised (gains)/losses on foreign currency exchange	£m	(+ve)						0.000		
Gain/(loss) on disposal of property plant and equipment	£m	(+ve)	2.034	0.028	(1.422)	0.885	(1.367)	(1.876)	0.356	0.086
Gain/(loss) on disposal of intangible assets	£m	(+ve)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Share of profit/(loss) loss from investments	£m	(+ve)						0.000		
PDC dividend expense	£m	(+ve)	8.525	2.409	2.409	2.409	2.409	9.635	9.635	9.635
Other increases/(decreases) to reconcile to profit/(loss) from operations	£m	(+/-ve)						0.000		
Non-cash flows in operating surplus/(deficit), Total			28.844	7.844	3.913	11.917	11.005	34.679	32.256	31.986
Operating Cash flows before movements in working capital			35.520	9.468	6.970	14.033	15.610	46.080	43.264	43.046
Increase/(Decrease) in working capital										
(Increase)/decrease in inventories	£m	(increase -ve)	(0.164)	(0.126)				(0.126)		
(Increase)/decrease in tax receivable	£m	(increase -ve)						0.000		
(Increase)/decrease in NHS Trade Receivables	£m	(increase -ve)	(8.308)	2.565	(1.000)		(2.000)	(0.435)	1.000	
(Increase)/decrease in Non NHS Trade Receivables	£m	(increase -ve)	(7.752)	3.230	(1.000)		(1.500)	0.730	1.000	
(Increase)/decrease in other related party receivables	£m	(increase -ve)						0.000		
(Increase)/decrease in other receivables	£m	(increase -ve)	10.667					0.000		
(Increase)/decrease in accrued income	£m	(increase -ve)						0.000		
(Increase)/decrease in other financial assets	£m	(increase -ve)	(0.620)	(0.177)	(0.500)	(0.300)	0.800	(0.177)	(0.300)	
(Increase)/decrease in prepayments	£m	(increase -ve)	0.864	0.064	0.064	0.064	0.064	0.256		0.256
(Increase)/decrease in Other assets (non charitable assets)	£m	(increase -ve)						0.000		
(Increase)/decrease in Other assets (charitable assets only)	£m	(increase -ve)						0.000		
Increase/(decrease) in Deferred Income (excl. Govt Grants.)	£m	(increase +ve)	1.339					0.000		
Increase/(decrease) in Deferred Income (Govt. Grants)	£m	(increase +ve)	(0.114)					0.000		
Increase/(decrease) in provisions	£m	(increase +ve)	(2.806)	0.428	(0.200)	(0.139)	(0.161)	(0.072)	(0.680)	(0.800)
Increase/(decrease) in post-employment benefit obligations	£m	(increase +ve)						0.000		
Increase/(decrease) in tax payable	£m	(increase +ve)						0.000		
Increase/(decrease) in Trade Creditors	£m	(increase +ve)	5.590					0.000		
Increase/(decrease) in Other Creditors	£m	(increase +ve)	(11.127)					0.000		
Increase/(decrease) in accruals	£m	(increase +ve)	3.701	(4.886)	4.002	(4.432)	(7.891)	(13.207)	(12.607)	(2.763)
Increase/(decrease) in other Financial liabilities	£m	(increase +ve)						0.000		
Increase/(decrease) in Other liabilities (non charitable assets)	£m	(increase +ve)						0.000		
Increase/(decrease) in Other liabilities (charitable assets)	£m	(increase +ve)						0.000		
Increase/(Decrease) in working capital, Total	£m		(8.730)	1.098	1.366	(4.807)	(10.688)	(13.031)	(11.331)	(3.307)
Net cash inflow/(outflow) from operating activities	£m		26.790	10.566	8.336	9.226	4.922	33.049	31.933	39.739
Net cash inflow/(outflow) from investing activities	£m									
Property - new land, buildings or dwellings	£m	(-ve)	(7.229)	(4.635)	(5.972)	(5.790)	(7.498)	(24.895)	(20.025)	(20.000)
Property - maintenance expenditure	£m	(-ve)	(1.581)	(0.671)	(0.893)	(1.389)	(2.557)	(5.511)	(5.066)	(5.097)
Plant and equipment - Information Technology	£m	(-ve)	(3.998)	(0.886)	(1.019)	(1.155)	(1.509)	(4.569)	(7.066)	(7.097)
Plant and equipment - Other	£m	(-ve)	(4.662)	(1.160)	(1.362)	(1.620)	(1.166)	(5.308)	(7.066)	(7.097)
Property, plant and equipment - other expenditure	£m	(-ve)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Proceeds on disposal of property, plant and equipment	£m	(+ve)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Purchase of investment property	£m	(-ve)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Proceeds on disposal of investment property	£m	(+ve)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Purchase of intangible assets	£m	(-ve)		(0.625)	(0.625)	(0.625)	(0.625)	(2.500)	(0.777)	(0.708)
Proceeds on disposal of intangible assets	£m	(+ve)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Expenditure on capitalised development	£m	(-ve)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Increase/(decrease) in Capital Creditors	£m	(-ve)	(2.712)	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Payments for other capitalised costs	£m	(-ve)						0.000		
Purchase of subsidiaries net of cash acquired	£m	(-ve)						0.000		
Net bank balance acquired with subsidiaries	£m	(+ve)						0.000		
Proceeds from disposal of subsidiaries net of cash disposed	£m	(+ve)						0.000		
Net bank balance disposed with subsidiaries	£m	(-ve)						0.000		
Purchase of associates net of cash acquired	£m	(-ve)						0.000		
Net bank balance acquired with associates	£m	(+ve)						0.000		
Proceeds from disposal of associates net of cash disposed	£m	(+ve)						0.000		
Net bank balance disposed with associates	£m	(-ve)						0.000		
Purchase of joint ventures net of cash acquired	£m	(-ve)						0.000		
Net bank balance acquired with associates	£m	(+ve)						0.000		
Proceeds from disposal of joint ventures net of cash disposed	£m	(+ve)						0.000		
Net bank balance disposed with joint venture	£m	(-ve)						0.000		
Government grants received	£m	(+ve)						0.000		
Purchase of investments & deposits made	£m	(-ve)	(105.004)					0.000		
Proceeds on disposal of investments & withdrawals	£m	(+ve)	105.013					0.000		
Other cash flows from investing activities	£m	(+/-ve)	(0.026)					0.000		
Net cash inflow/(outflow) from investing activities, Total	£m		(20.195)	(7.976)	(10.870)	(10.579)	(13.356)	(42.783)	(40.000)	(40.000)
Net cash inflow/(outflow) before financing	£m		6.595	2.589	(2.535)	(1.353)	(8.435)	(9.734)	(8.067)	(0.261)
Net cash inflow/(outflow) from financing activities	£m									
Public Dividend Capital received	£m	(-ve)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Public Dividend Capital repaid	£m	(-ve)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
PDC Dividends paid	£m	(-ve)	(8.525)		(4.818)		(4.818)	(9.635)	(9.635)	(9.635)
Interest (paid) on bridging loans	£m	(-ve)						0.000		
Interest (paid) on commercial loans	£m	(-ve)						0.000		
Interest (paid) on non-commercial loans	£m	(-ve)						0.000		
Interest (paid) on bank overdrafts	£m	(-ve)	(0.156)					0.000		
Interest element of finance lease rental payments - other	£m	(-ve)	(0.160)	(0.235)	(0.235)	(0.235)	(0.235)	(0.941)	(0.802)	(0.673)
Interest element of finance lease rental payments - On-balance sheet PFI	£m	(-ve)	(0.100)	(0.336)	(0.336)	(0.336)	(0.336)	(1.343)	(1.192)	(1.051)
Capital element of finance lease rental payments - other	£m	(-ve)	(0.196)	(0.027)	(0.027)	(0.027)	(0.027)	(0.108)	(0.118)	(0.128)
Capital element of finance lease rental payments - On-balance sheet PFI	£m	(-ve)	1.365	(0.049)	(0.049)	(0.049)	(0.049)	(0.197)	(0.197)	(0.197)
Interest received on cash and cash equivalents	£m	(+ve)						0.000		
Movement in Other grants/Capital received	£m	(-ve)						0.000		
Donations received in cash	£m	(-ve)						0.000		
Drawdown of bridging loans	£m	(+ve)						0.000		
Repayment of bridging loans	£m	(+ve)						0.000		
Drawdown of non-commercial loans	£m	(+ve)						0.000		
Repayment of non-commercial loans	£m	(-ve)						0.000		
Drawdown of commercial loans	£m	(+ve)						0.000		
Repayment of commercial loans	£m	(-ve)						0.000		
(Increase)/decrease in non-current receivables	£m	(-/+ve)	0.002	(0.107)				(0.107)		
Increase/(decrease) in non-current payables	£m	(+/-ve)						0.000		
Other cash flows from financing activities	£m	(+/-ve)						0.000		
Net cash inflow/(outflow) from financing activities, Total	£m		(7.770)	(0.754)	(5.465)	(0.647)	(5.465)	(12.331)	(11.944)	(11.684)
Net increase/(decrease) in cash	£m		(1.175)	1.835	(8.000)	(2.001)	(13.899)	(22.065)	(20.011)	(11.945)
Opening cash	£m		98.340	97.165	99.000	91.000	89.000	97.165	75.100	55.089
Effect of exchange rates	£m	(+/-ve)						0.000		
Closing cash	£m		97.165	99.000	91.000	89.000	75.100	75.100	55.089	43.145
			97.165	99.000	91.000	89.000	75.100	75.100	55.100	43.100
			0.000	0.000	0.000	(0.000)	0.000	0.000	(0.011)	0.045

Closing cash from SoFP Variance

Worksheet "PlanRiskRating"

[Click to go to index](#)

Risk Ratings based on Annual Planning return from HEART

	Historic Year to 31-Mar-12	Forecast YTD to 30-Jun-12	Forecast YTD to 30-Sep-12	Forecast YTD to 31-Dec-12	Forecast Year to 31-Mar-13	Forecast Year to 31-Mar-14	Forecast Year to 31-Mar-15
Underlying performance							
EBITDA YTD from SoCJ	35,861	9,608	20,649	30,749	43,338	42,910	42,943
Operating Income YTD from SoCJ	606,826	146,666	294,380	444,193	594,961	590,132	591,364
EBITDA Margin metric	5.9%	6.6%	7.0%	6.9%	7.3%	7.3%	7.3%
EBITDA Margin rating	3	3	3	3	3	3	3
Achievement of plan							
Actual EBITDA 2011-12 from SoCJ	35,861						
Planned EBITDA 2011-12 (original plan or assessment figure)	44,334						
EBITDA % of plan achieved metric	80.9%	80.9%	80.9%	80.9%	80.9%	80.9%	80.9%
EBITDA % of plan achieved rating	3	3	3	3	3	3	3
Financial Efficiency							
NEW Net return after financing costs, YTD from SoCJ	8,506	1,604	4,640	6,736	11,321	10,928	10,980
NEW Opening Financing	345,404	354,037	354,037	354,037	354,037	365,132	373,772
NEW Closing Financing	354,037	355,583	358,564	360,603	365,132	373,772	382,454
Net return after Financing metric	2.4%	1.8%	2.6%	2.5%	3.1%	3.0%	2.9%
Net return after financing rating	4	3	4	4	5	4	4
Surplus YTD from SoCJ	6,676	1,624	4,680	6,796	11,401	11,008	11,060
Profit (loss) on asset disposals from SoCJ	(2,034)	(0,030)	(0,060)	(0,090)	(0,120)	(0,120)	(0,120)
I & R (Impairments & restructuring) expenses YTD from SoCJ	-	-	-	-	-	-	-
Operating Income YTD from IS	606,826	146,666	294,380	444,193	594,961	590,132	591,364
IS Surplus margin metric	1.4%	1.1%	1.6%	1.6%	1.9%	1.9%	1.9%
IS Surplus margin rating	3	3	3	3	3	3	3
Financial Efficiency rating	4	3	4	4	4	4	4
Liquidity							
CHANGED Cash for liquidity purposes from SoFP	49,968	49,464	47,205	45,357	51,455	42,595	33,557
Operating expenditure YTD from SoCJ	570,965	137,058	273,731	413,445	551,623	547,222	548,421
WCF in terms of Operating Expenditure YTD	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Liquidity days metric (WCF limited to 30 days)	31.5	32.5	31.0	29.6	33.6	28.0	22.0
Liquidity rating	4	4	4	4	4	4	3
Weighted Average Rating	3.45	3.25	3.45	3.45	3.65	3.45	3.20
Overriding rules							
3 Return submitted on time	YES						
3 Return submitted complete and correct	YES						
2 PDC dividend paid in full			FALSE		FALSE	FALSE	FALSE
3 Year 2 OR Year 3 deficit excluding I & R expenses	NO						
2 Year 2 AND Year 3 deficit excluding I & R expenses	NO						
2 Lowest ranked metric a '1'?	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE
3 One financial criteria '1' or '2'	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE
2 Two financial criteria '1' or '2'	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE
1 Two financial criteria at '1'	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE
2 Unplanned breach of PBC ratios	NO						
4 Less than 1 year as an Foundation Trust	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE
Limit due to overriding rules	0	0	0	0	0	0	0
Financial Risk Rating	3	3	3	3	4	3	3

The number above is NOT necessarily the same as your Q4 FY1112 FRR because it is calculated on the basis of the 12-13 Compliance Framework

key to scoring

Underlying performance	25%				
5	4	3	2	1	
11%	9%	5%	1%	<1%	

Achievement of plan	10%				
5	4	3	2	1	
100%	85%	70%	50%	<50%	

Return net after financing	20%				
5	4	3	2	1	
3%	2%	-0.5%	-5%	<-5%	

IS surplus margin	20%				
5	4	3	2	1	
3%	2%	1%	-2%	<-2%	

Liquidity metric	25%				
5	4	3	2	1	
60	25	15	10	<10	

Worksheet "Targets and Indicators"

Declaration of risks against healthcare targets and indicators for 2012-13 by Heart of England

These targets and indicators are set out in the **Compliance Framework 12/13**

Key: must complete
 may need to complete

Definitions can be found in the **Compliance Framework 12/13**

NOTE: If a particular indicator does not apply to your FT then it cannot be at risk, so please enter "No" for those lines.

Target or Indicator (per Compliance Framework 12/13)	Threshold	Weighting	At Risk?	Score	Agreed targets per Q (not YTD)			
					Q1	Q2	Q3	Q4
Clostridium Difficile -meeting the C.Diff objective	as agreed	1.0	No	0	0	0	0	0
MRSA - meeting the MRSA objective	as agreed	1.0	No	0	0	0	0	0
Cancer 31 day wait for second or subsequent treatment - surgery	>94%	1.0	No					
Cancer 31 day wait for second or subsequent treatment - drug treatments	>98%	1.0	No					
Cancer 31 day wait for second or subsequent treatment - radiotherapy	>94%	1.0	No	0				
Cancer 62 Day Waits for first treatment (from urgent GP referral)	>85%	1.0	No					
Cancer 62 Day Waits for first treatment (from Consultant led screening service referral)	>90%	1.0	No	0				
Referral to treatment time, 18 weeks in aggregate, admitted patients	>90%	1.0	No					
Referral to treatment time, 18 weeks in aggregate, non-admitted patients	>95%	1.0	No					
Referral to treatment time, 18 weeks in aggregate, incomplete pathways	>92%	1.0	No	0				
Cancer 31 day wait from diagnosis to first treatment	>96%	0.5	No	0				
Cancer 2 week (all cancers)	>93%	0.5	No					
Cancer 2 week (breast symptoms)	>93%	0.5	No	0				
A&E Clinical Quality- Total Time in A&E under 4 hours	>95%	1.0	No	0				
Community care - referral to treatment information completeness	>50%	1.0	No					
Community care - referral information completeness	>50%	1.0	No					
Community care - activity information completeness	>50%	1.0	No	0				
Community care - patient identifier information completeness	TBC	0.0	No					
Community care - End of life patients deaths at home information completeness	TBC	0.0	No					
Care Programme Approach (CPA) follow up within 7 days of discharge	>95%	1.0	No					
Care Programme Approach (CPA) formal review within 12 months	>95%	1.0	No	0				
Minimising MH delayed transfers of care	<=7.5%	1.0	No	0				
Admissions had access to crisis resolution / home treatment teams	>95%	1.0	No	0				
Meeting commitment to serve new psychosis cases by early intervention teams	>95%	0.5	No	0				
Data completeness, MH: identifiers	>97%	0.5	No	0				
Data completeness, MH: outcomes	>50%	0.5	No	0				
Ambulance Category A 8 Minute Response Time	>75%	1.0	No	0				
Ambulance Category A 19 Minute Transportation Time	>95%	1.0	No	0				
Compliance with requirements regarding access to healthcare for people with a learning disability	N/A	0.5	No	0				

Risk of, or actual, failure to deliver mandatory services	N/A	4.0		0				
CQC compliance action outstanding (as at 31 May 2012)	N/A	special	Yes					
CQC enforcement action within last 12 months (up to 31 May 2012)	N/A	special	No					
CQC enforcement notice currently in effect (as at 31 May 2012)	N/A	4.0	No					
Moderate CQC concerns or impacts regarding the safety of healthcare provision (as at 31 May 2012)	N/A	special	Yes					
Major CQC concerns or impacts regarding the safety of healthcare provision (as at 31 May 2012)	N/A	2.0	No	0				
Unable to maintain, or certify, a minimum published CNST level of 1.0 or have in place appropriate alternative arrangements	N/A	2.0	No	0				
Score of 7 or less in standard 1 assessment at last NHSLA CNST inspection (maternity or all services)	N/A	special	No					
Trust unable to declare ongoing compliance with minimum standards of CQC registration	N/A	special	No					

Results left to complete 1

Total Score 0

Enter the reason for any non-scoring related rating override here

Override Rating (if any)

Indicative Governance risk rating

GREEN

Governance Statement from the Board of Heart of England

The board are required to respond "Confirmed" or "Not confirmed" to the following statements (see notes below)

For quality, that:

Board Response

1 The board is satisfied that, to the best of its knowledge and using its own processes and having assessed against Monitor's *Quality Governance Framework* (supported by Care Quality Commission information, its own information on serious incidents, patterns of complaints, and including any further metrics it chooses to adopt), its NHS foundation trust has, and will keep in place, effective arrangements for the purpose of monitoring and continually improving the quality of healthcare provided to its patients.

2 The board is satisfied that plans in place are sufficient to ensure ongoing compliance with the Care Quality Commission's registration requirements.

3 The board is satisfied that processes and procedures are in place to ensure that all medical practitioners providing care on behalf of the NHS foundation trust have met the relevant registration and revalidation requirements.

For finance, that:

4 The board anticipates that the trust will continue to maintain a financial risk rating of at least 3 over the next 12 months.

5 The board is satisfied that the trust shall at all times remain a going concern, as defined by relevant accounting standards in force from time to time.

For governance, that:

6 The board will ensure that the trust remains at all times compliant with its Authorisation and has regard to the NHS constitution;

7 All current key risks to compliance with the trust's Authorisation have been identified (raised either internally or by external audit and assessment bodies) and addressed - or there are appropriate actions in place to address the issues - in a timely manner.

8 The board has considered all likely future risks to compliance with its Authorisation and has reviewed appropriate evidence regarding the level of severity, likelihood of a breach occurring and the plans for mitigation of these risks to ensure continued compliance;

9 The necessary planning, performance management and corporate and clinical risk management processes and mitigation plans are in place to deliver the annual plan, including that all audit committee recommendations accepted by the board are implemented satisfactorily.

10 An Annual Governance Statement is in place pursuant to the requirements of the NHS Foundation Trust Annual Reporting Manual, and the trust is compliant with the risk management and assurance framework requirements that support the Statement pursuant to the most up to date guidance from HM Treasury (see www.hm-treasury.gov.uk).

11 The board is satisfied that plans in place are sufficient to ensure: ongoing compliance with all existing targets (after the application of thresholds) as set out in **Appendix B** of the Compliance Framework; and a commitment to comply with all known targets going forwards.

12 The trust has achieved a minimum of Level 2 performance against the key requirements of the Information Governance Toolkit.

13 The board will ensure that the trust will at all times operate effectively within its constitution. This includes: maintaining its register of interests, ensuring that there are no material conflicts of interest in the board of directors; that all board positions are filled, or plans are in place to fill any vacancies; and that all elections to the board of governors are held in accordance with the election rules.

14 The board is satisfied that all executive and non-executive directors have the appropriate qualifications, experience and skills to discharge their functions effectively, including setting strategy, monitoring and managing performance and risks and ensuring management capacity and capability;

15 The board is satisfied that: the management team has the capacity, capability and experience necessary to deliver the annual plan; and the management structure in place is adequate to deliver the annual plan.

16 For an NHS foundation trust engaging in a major joint venture, or any Academic Health Science Centre, the board is satisfied that the NHS foundation trust has fulfilled, or continues to fulfil, the criteria set out in **Appendix C4** of the Compliance Framework.

Signed on behalf of the board of directors, and having regard to the views of the governors

Signature

Signature

Name

Name

Capacity

Capacity

Date

Date

Notes: *The contents of this statement are specified in Monitor's Compliance Framework for 2012-13*

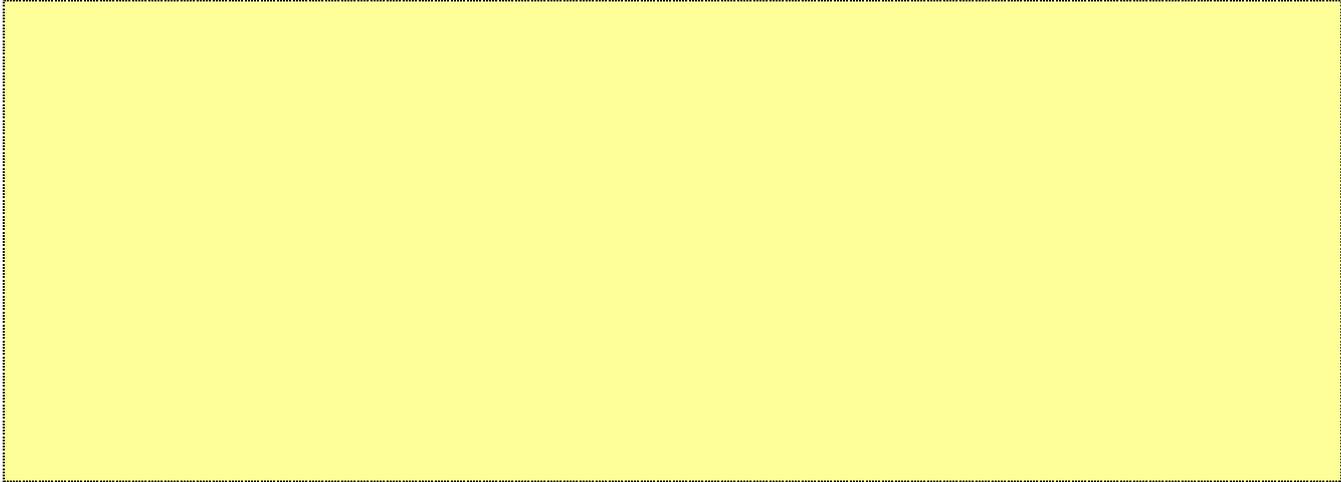
Monitor will accept either 1) electronic signatures pasted into this worksheet or 2) hand written signatures on a paper printout of this declaration posted to Monitor to arrive by the submission deadline.

In the event that an NHS foundation trust is unable to fully self certify, it should NOT select 'Confirmed' in the relevant box. It must provide commentary (using the section provided at the end of this declaration) explaining the reasons for the absence of a full self certification and the action it proposes to take to address it. Monitor may adjust the relevant risk rating if there are significant issues arising and this may increase the frequency and intensity of monitoring for the NHS foundation trust.

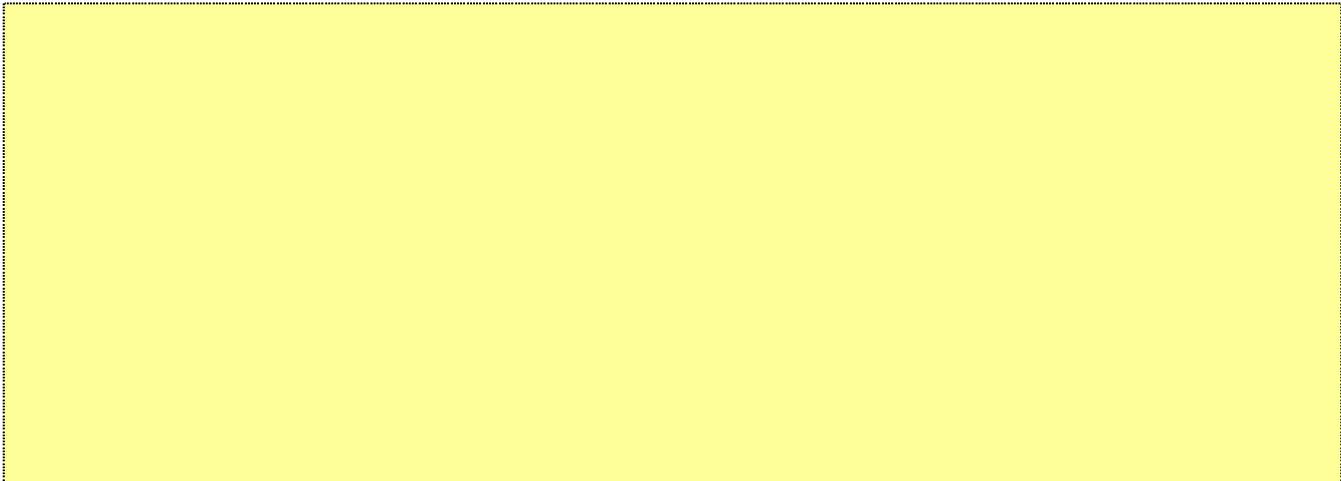
Where boards are unable to self-certify, they should make an alternative declaration by amending the self-certification as necessary, and including any significant prospective risks and concerns the foundation trust has in respect of delivering quality services and effective quality governance

The board are unable make one of more of the confirmations on the preceding page and accordingly declare:

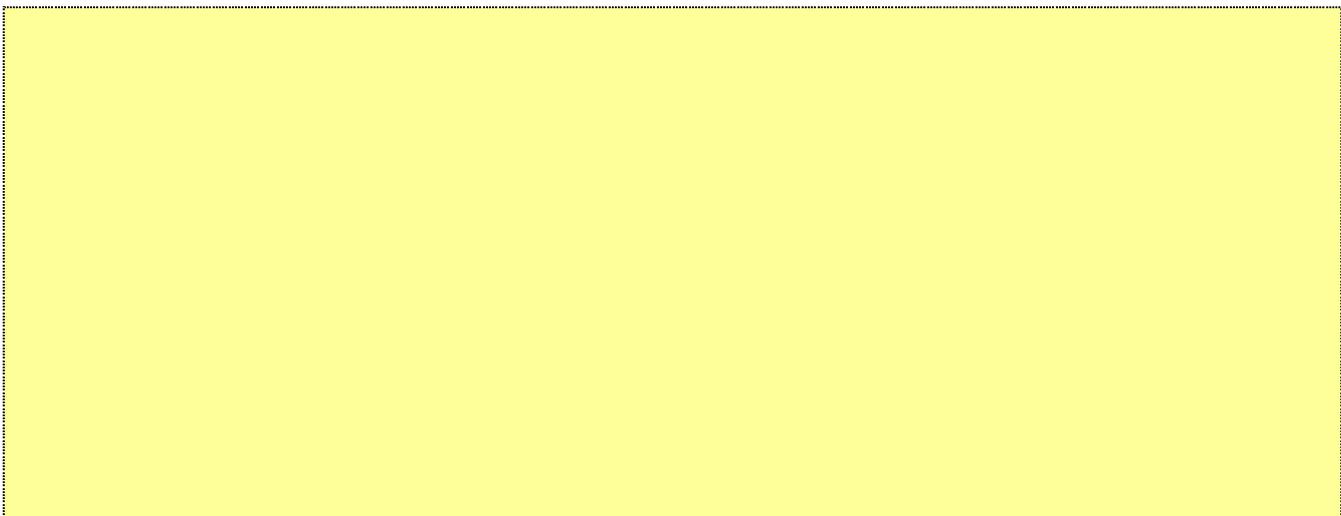
A



B



C



Note: Monitor will accept either 1) electronic signatures pasted into worksheet or 2) hand written signatures on a paper printout of this declaration posted to Monitor to arrive by the submission deadline.

Finance Risk Indicators for Heart of England

Please respond "True" or "False" to the following statements

Finance Risk Indicators	Response
1 Unplanned decrease in (quarterly) EBITDA margin in two consecutive quarters	n/a
2 Finance Declaration 2 signed (Trust unable to certify that Board anticipates that the Quarterly FRR will be at least 3 over the next 12 months)	FALSE
3 Planned FRR 2 (or less) for any one quarter in 2012/13	FALSE
4 Working capital facility (WCF) was used at any point in 2011/12 financial year	FALSE
5 Debtors > 90 days past due account for more than 5% of total debtor balances	n/a
6 Creditors > 90 days past due account for more than 5% of total creditor balances	n/a
7 Two or more changes in Finance Director in a twelve month period	FALSE
8 Interim Finance Director in place over more than one quarter end	FALSE
9 Quarter end cash balance <10 days of (annualised) operating expenses	FALSE
10A Capital expenditure < 75% of plan for the year to date	n/a
10B Capital expenditure > 125% of plan for the year to date	n/a
	0

Notes: As set out in Monitor's Compliance Framework 2012-13, Monitor will separately consider this limited set of indicators to highlight the potential for any future material financial risk. Where Monitor believes that one or more of these indicators are present at an NHS foundation trust, Monitor will consider whether an earlier meeting with the trust to discuss them is appropriate. Following this meeting, Monitor may request the preparation of plans, or the provision of other assurances as to an NHS foundation trust's capacity to mitigate any potential risk. The use of these indicators will not form part of the formal regulatory framework or Monitor's approach to the potential use of its statutory powers of intervention.

Other indicators for Risk	Response
1 How many interim (voting) Directors are there on your Board at 31 May 2012	0
2 How many acting (voting) Directors are there on your Board at 31 May 2012	0
3 How many of the following posts are interim or acting or both (Chair, CEO, Finance Dir, Medical Dir) at 31 May 2012	0
4 How many changes in Finance Director have you had in the twelve month period to 31 May 2012	0
5 How many governors posts (filled and unfilled) does your FT have (i.e in constitution)	44
6 How many governors posts are vacant (unfilled) at 31 May 2012	32
	0

Worksheet "Membership"[Click to go to index](#)**Membership return for Heart of England**

This is your 2011/12 annual membership report and forms part of your membership plan for 2012-13

Membership size and movements			
Public constituency		2011/12	2012/13 (estimated)
At year start (April 1)	+ve	83,693	84,013
New members	+ve	6,368	4,500
Members leaving	+ve	6,048	4,500
At year end (31 March)		84,013	84,013
Staff constituency		2011/12	2012/13 (estimated)
At year start (April 1)	+ve	10,400	10,561
New members	+ve	1,277	772
Members leaving	+ve	1,116	1,133
At year end (31 March)		10,561	10,200
Patient constituency		2011/12	2012/13 (estimated)
At year start (April 1)	+ve	6,894	7,048
New members	+ve	536	500
Members leaving	+ve	382	500
At year end (31 March)		7,048	7,048

Analysis of membership at 31 March 2011		
	31 Mar 2012 Actual members	31 Mar 2012 Eligible membership
Public constituency		
Age (years):		
0-16	232	308,658
17-21	1447	114,455
22+	81594	942,541
Unknown	740	
		1,365,654
Ethnicity		
White	55,261	1,060,743
Mixed	454	31593
Asian or Asian British	9487	197,696
Black or Black British	2239	62495
Other	441	13127
Unknown	16,131	0
Socio-economic groupings*:		
ABC1	45,606	674,983
C2	6,134	243,507
D	26837	320,828
E	727	126,336
Unknown	4,709	0
Gender:		
Male	30,491	662,794
Female	41,363	702,860
Unknown	12,159	0
Patient Constituency		
Age (years):		
0-16	24	91
17-21	144	548
22+	6,880	26181
Staff Constituency		
Members		
Members	10,561	10561

Note:

Socio-economic data should be completed using profiling techniques (eg: post codes) or other recognised methods. To the extent socio-economic data is not already collected from members, it is not anticipated that NHS foundation trusts will make a direct approach to members to collect this information.

