

Heart of England NHS Foundation Trust

Annual Report and Accounts

2013/14



NHS

**HEART of
ENGLAND**
NHS Foundation Trust



Heart of England NHS Foundation Trust
Annual Report and Accounts 2013/14

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

Contents

- 7** About Heart of England
- 8** Chair's Statement
- 10** Chief Executive's Review
- 12** Directors' Profiles
- 20** Executive Management Team
- 22** Strategic Report
- 86** Quality Account & Report
- 201** Auditors' Report
- 204** Directors' Report
- 219** Remuneration Report
- 223** Statement of Accounting Officer's Responsibilities
- 224** Annual Governance Statement
- 236** Directors' Responsibility Statement
- 237** Financial Statements



About Heart of England

Heart of England NHS Foundation Trust is one of the largest hospital trusts in England, employing more than 10,000 members of staff across Birmingham Heartlands Hospital, Good Hope Hospital in Sutton Coldfield, Solihull Hospital and Community Services, Birmingham Chest Clinic and a number of smaller satellite units.

The Trust serves a diverse range of communities within Birmingham East and North, Solihull, Sutton Coldfield and South Staffordshire and with a total of nearly 1,500 beds across the three hospital sites, over one million patients were seen and treated by the Trust last year.

The Trust has an annual income of more than £600 million, specialising in treating patients suffering from a wide range of illnesses including heart and kidney disease, cancer, HIV and cystic fibrosis. The Trust also has expertise in premature baby care, bone marrow transplants and thoracic surgery.

The Hospital Trust originally developed from Little Bromwich Hospital, a fever hospital and sanatorium in Yardley, which opened in June 1895. As East Birmingham District General Hospital, which was born following a collaboration with Yardley Green Hospital in April 1963, the hospital went on to acquire the Marston Green Maternity Hospital and become the first acute trust in Birmingham in April 1992. In the following year, the organisation merged with nearby Yardley Green Hospital and acquired Birmingham Chest Clinic in the city centre. Following the merger between Birmingham Heartlands NHS Trust and Solihull Hospital in 1995, Birmingham Heartlands and Solihull NHS Trust was formed. This became Heart of England NHS Foundation Trust in April 2005 when the Trust achieved foundation status. In April 2007, Good Hope Hospital became part of Heart of England, in the first merger of its kind in the NHS. Since April 2011, the Trust has also been the provider of community healthcare services for Solihull residents.

In terms of activity for 2013/14, the Trust:

- Saw 237,702 patients in its A&E Departments;
- Treated 80,283 day case and elective patients;
- Saw 1,189,793 patients in Outpatients; and
- Supported 10,335 births.



**Safe&Caring
Innovative
Locally Engaged
Efficient**



Chair's Statement

Lord Philip Hunt

This has been my third and final year as Chairman and one in which we have faced significant challenges as we continue to focus on delivering quality services with limited funds within a diverse and busy environment. But from this year's challenges, I have seen the Trust begin to embrace new opportunities to drive forward and make some of the positive changes required.

Our aim as a Trust is to put patient care, quality and safety at the heart of everything we do. So when we learn that something has gone wrong in doing this, it is absolutely vital we find out what went wrong and how we can learn lessons moving forward.

In 2013, I and the Trust Board commissioned Sir Ian Kennedy to chair an independent review, on behalf of patients, into how the organisation had handled the issues that arose from the surgical and behavioural practices of Mr Ian Paterson, a breast surgeon who formerly operated in the Breast Care Unit of the Trust. This Review was published and made available for all staff, patients and the wider NHS community in December 2013.

The review made a series of recommendations and a programme of work has been developed by the Trust to support putting the recommendations into practice during 2014. Further information on the Review can be found on p.48 of this document. The review has been welcomed by the Trust and I have personally thanked Sir Ian for his detailed and exhaustive investigations.

The Trust became one of the first 18 to be inspected by the CQC under its new regime of the Chief Inspector of Hospitals in November 2013. We volunteered to be one of the first to trial the new 'Ofsted style' rating which mirrors the system used for schools – more information on this can be found on p.56 of this document.

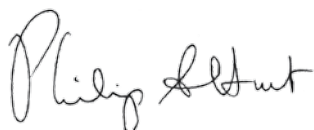
We were given the overall rating of 'requires improvement' which was in part due to our Emergency Care performance issues and we hope that, through a programme of work intended to improve patient flow through our Emergency Departments, we are able to remedy this as soon as possible.

The Birmingham, Solihull and Midlands region as a whole has a huge challenge ahead in order to better tackle the problems in efficiently handling its Emergency Care with limited funds – significant change is needed in the health system in the next few years and this is something I will be watching with interest.

I have been supported throughout the year by seven experienced Non-executive Directors. At the start of the year, the Governors appointed four new Non-executive Directors: Dr Patrick Cadigan, Mr David Lock QC, Ms Alison Lord and Dr Jammi Rao. These outstanding candidates joined a strong team and have helped ensure we have scrutinised the Trust's performance and direction. Three Non-executive Directors have left during the year – Mrs Anna East, Ms Najma Hafeez and Mr Paul Hensel.

I would like to formally welcome the new Chairman, Mr Les Lawrence, who begins in his new role in June 2014. He has been appointed following a competitive interview process and brings a wealth of knowledge and experience to the position that will help shape long-term planning and future service improvements at the Trust. Having worked as a Non-executive Director on the Trust's Board of Directors since April 2012, in July 2013 Les was made Deputy Chair of the Board of Directors at the Trust, as well as the Board's Senior Independent Director.

I wish to thank all of our staff for their continued commitment to improve the services we provide and patient experience. I know we have a great deal to achieve moving forward, and that targets and performance are critical; but I firmly believe we are beginning to set the foundations for the changes required for the future in terms of quality and safety.



Rt. Hon. Lord Hunt of Kings Heath, PC. OBE, Shadow Deputy Leader of the House of Lords, and Chairman

**27 May 2014
@LordPhilofBrum**



Chief Executive's Review

Dr Mark Newbold

Our overarching priority as a hospital Trust is to be 'safe and caring' and there can be no compromise on this. Our other three key priorities are 'locally engaged', 'efficient' and 'innovative' and this year we have continued to reinforce these in all that we do.

Nowhere have these four priorities been more relevant this year than in our work to improve our extremely busy Emergency Departments. The emergency pathway, including our discharge arrangements, was a key factor in the Trust's recent CQC rating and we are determined to make progress.

Much effort has been devoted to tackling our Emergency Care challenges and we have made significant investments in services to provide patient care outside of hospital, in order to help avoid unnecessary admissions, and to create a smoother and earlier transition from hospital to home.

The innovative partnership between Good Hope Hospital and Midland Heart has provided the new Cedarwood facility this year, which is providing step down care for patients who are ready to leave hospital but not yet able to return home. This has greatly helped patients to return home more speedily, and has helped free up much-needed acute beds too.

Other steps forward in out of hospital care include HEFT@Home at Heartlands and Recovery at Home at Good Hope whereby patients are cared for at home after discharge from hospital, and the continued expansion of the 'virtual wards' initiative.

Within hospital, our teams successfully undertook the 'Breaking the Cycle' initiative which, through hard work and determination by all, has significantly improved emergency flow within our three hospitals. This has been really excellent work and I am looking forward to continuing to build on this in the coming year.

We expect the look and shape of our hospitals to be significantly different within the next five years in order to better manage the changing needs of our patients. We will be consulting with our staff and the public in order to engage with any changes which we predict will mean more patients receiving care away from the acute environment. We have begun the ground work for these important decisions in order to adapt to these changes, whilst recognising it will take place in an increasingly cash constrained environment.

As a Board, we are fully committed to maintaining three high quality hospitals. We made changes to the executive team from 1 May 2014, that are explained on page 20, with a view to realigning it to deliver the improvements in quality, safety and efficiency. To fully achieve these, I anticipate each hospital will specialise more than at present, so that we strengthen and 'future proof' some of our services by bringing them together into larger units. This is similar to the changes that have taken place in the past with, for example, Complex Cancer and Heart Attack Services.

Another driver of change is the need to move to full seven day services for some specialities, to ensure care standards are the same at all times of the week.

We have continued to invest in services across the Trust, with a new Emergency Department and two operating theatres for Good Hope opening last year, along with the new laboratory medicine building at Heartlands. In the coming year, we have plans for a new Maternity and Neonatal Unit, a new Vascular operating theatre and Endoscopy Unit at Heartlands, and a major refurbishment programme at Solihull involving a new Dermatology Unit, a new area for Chemotherapy patients and a new style Emergency Care Department in line with new national emergency care guidance.

We have invested this year in developing our clinical research base, which is an essential part of improving patient care through recruitment into clinical trials. With our partner the University of Birmingham we have appointed a Professor of Public Health, to provide us with expertise as we diversify our range of services; and we have also made new appointments in clinical safety in conjunction with Warwick University.

We remain committed to a patient-centred, open and transparent culture, and all of our planning for the future will be discussed openly either in our public Trust Board meetings or through a range of patient engagement events, supported by social media. I am delighted to start working with Professor Sir Muir Gray, an eminent doctor and academic, to understand how we can become as 'patient-centred' as possible in our decision-making, and our service delivery. Our staff are crucial to this of course, and many of them will have the opportunity to join in with this innovative work.

A Citizens' Panel is being developed to work alongside us as we work to improve services, and ensure we are fit for the future. We are excited about this as it will bring about a new approach for the Trust.

I would finally like to take this opportunity to thank all of our staff for their continuing hard work and commitment to our organisation during what has been another very busy year. With such strong and committed staff, I am very confident that we will continue to improve the quality and range of services we provide across all of our hospital and community sites, despite the many challenges ahead.



Dr Mark Newbold
Chief Executive
27 May 2014
www.marknewbold.com
@drmarknewbold
mark.newbold@heartofengland.nhs.uk

Directors' Profiles



Name: The Rt Hon Lord Philip Hunt of Kings Heath PC OBE

Role: Chairman

Appointed: April 2011

Qualifications and professional experience: 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 the 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. Before that he 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, Philip 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. He returned to the Department of Health as Minister of State in January 2007 and then moved to the Ministry of Justice in July of that year.

In the October 2008 government reshuffle, Philip became Minister of State in both the Department for the Environment, Food and Rural Affairs (DEFRA) and the newly created Department of Energy & 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 the DECC. Following the election of Ed Miliband as Labour Party leader, Philip was appointed Labour's spokesman on Home Affairs in the House of Lords. In 2012, he became spokesman for Health and Social Care. He also serves as Labour's Shadow Deputy Leader of the House of Lords.

Key area of interest for the year: Philip was thrilled to join the Organ Donation Committee meeting as Chair in 2013: "Joining a group of such enthused and committed members of staff and to have an insight into the great work taking place to save lives through organ donation was a privilege. From November 2013 to February 2014 alone, 12 organs were retrieved at the Trust including six kidneys, three livers, two hearts and a pancreas. From April 2013 until February 2014, 26 organs were retrieved."

Contact: philip.hunt@heartofengland.nhs.uk



Name: Dr Mark Newbold
Role: Chief Executive
Appointed: August 2010

Qualifications and professional experience: Dr Mark Newbold was appointed Chief Executive of the Trust in 2010 having previously held the same post at Kettering General Hospital NHS Foundation Trust. Before that he spent 20 years as a hospital doctor, including time at both Warwick Hospital and University Hospitals Coventry & Warwickshire as a Consultant specialising in gastrointestinal disease and histopathology.

Mark is Chair of the NHS Confederation Hospitals Forum and Honorary Senior Fellow at the Health Services Management Centre at the University of Birmingham. He is Honorary Professor of Health Leadership at Aston University and a Fellow of the Royal College of Pathologists.

He has a strong interest in the future of hospital services and in leadership, particularly clinical leadership. He believes that NHS leaders need to be visible and open in their decision-making and is fascinated by the role social media can play in bringing this about. You can follow Mark on Twitter @drmarknewbold or read his blog at www.marknewbold.com.

Key area of interest for the year: "Good Hope Hospital's collaboration with Midland Heart in order to launch Cedarwood, a step down facility for patients ready to leave hospital but not yet able to return home, was a highlight as it involved a new approach to providing better care for our patients. A first of its kind scheme, Cedarwood has enabled us to more robustly support patients in their re-enablement post hospital whilst helping us reserve acute beds for the sickest patients."

Contact: mark.newbold@heartofengland.nhs.uk



Name: Dr Andrew Catto
Role: Medical Director
Appointed: March 2014

Qualifications and professional experience: Andrew qualified from Leeds School of Medicine in 1989 with distinction in microbiology. Following appointments to various academic posts in Leeds culminating in a PhD in the genetic determinants of blood coagulation in stroke in 1999, he obtained the CCST in general and geriatric medicine in the same year.

Andrew was appointed as an MRC Clinician Scientist and then as Consultant in stroke medicine at Airedale NHS Foundation Trust in 2005. Following clinical management roles at Airedale FT, including Group Director and Assistant Medical Director, he was appointed as Executive Medical Director in 2009, a role he held until February 2014 when he was appointed to his current post as Executive Medical Director at Heart of England.

Key area of interest for the year: Whilst at Airedale FT, Andrew developed a key interest in whole system transformation. This involved working across the whole health and social care system focusing on urgent care and developing much closer new working relationships with primary care. Andrew is looking forward to utilising his interest in system transformation at the Trust during 2014/15.

Contact: andrew.catto@heartofengland.nhs.uk



Name: Dr Patrick Cadigan
Role: Non-executive Director
Appointed: July 2013

Qualifications and professional experience: Patrick has practised as a Cardiologist in the West Midlands since 1981. As part of his work for the Royal College of Physicians, he chaired the Medical Board of the National Patient Safety Agency and was a member of the Advisory Group on National Specialised Services. He is currently leading the RCP response to the Francis Inquiry into the poor care provided at Mid Staffordshire NHS FT and is providing clinical advice to the Trust Special Administrator. As part of the 'Future Hospital Commission' he is involved with a number of projects concerned with the provision of high quality urgent and emergency care.

Key area of interest for the year 2013/14: Patrick participated in the Francis Inquiry and has taken a particular interest in the Trust's response to the recommendations. He is also interested in reforms of the acute care pathway to provide a safer and more compassionate service to patients and to improve the efficiency of the delivery of care.

Contact: patrick.cadigan@heartofengland.nhs.uk



Name: Mrs Sam Foster
Role: Acting Chief Nurse
Appointed: September 2013

Qualifications and professional experience: Prior to Sam's Chief Nurse role, she had been Deputy Chief Nurse at Heart of England since 2009. In that post she delivered a key leadership role supporting the Chief Nurse in professionally leading and enabling 5,500 nursing and midwifery staff to deliver a high standard of care. Prior to joining the Trust, Sam was Deputy Chief Nurse at the Shrewsbury and Telford Acute Trust.

Sam qualified as a General Nurse in 1993, following completion of one of the first Project 2000 training courses and spent her initial career working in general medicine, where she furthered her studies undertaking a BSc in Professional Studies, before moving into critical care. During her time in critical care, she undertook an MSc in Advancing Critical Care Practice at King's College London and developed an interest in ward level education of the critically ill adult then took a number of posts in practice development.

Key area of interest for the year: "Within nursing we have focused on ensuring our planned staffing levels are met, and that our staff have the knowledge and skills to meet our patients' needs. Much work has continued on fundamental care such as the reduction of harm including improvements in both pressure ulcer care and falls prevention. Equally we continue to be a national lead in advancing practice specifically in the emergency pathway, critical care, midwifery and neonatal care."

Contact: sam.foster@heartofengland.nhs.uk



Name: Mr Simon Hackwell
Role: Commercial & Strategy Director
Appointed: May 2011

(Left 31 May 2014)

Qualifications and professional experience: Simon is a politics graduate with an MBA in International Business. He joined the Trust in 2007, having worked previously in the private sector for, among others, Arthur Andersen and KPMG. He was Programme Director for the merger with Good Hope Hospital and, in 2011, led the transfer of Solihull Community Services into the Trust. Simon led the Board's work on strategy, business and service development, and innovation. He developed close links with partner universities and oversaw the

development of the Hollier Simulation Centre at Good Hope.

Key area of interest for the year: Towards the end of 2013/14 the Board agreed a new strategy for the future. This gives the Trust a clear view of our priorities in an uncertain and challenging environment. Simon worked with interest in creating a dialogue with staff and patients around this new direction for the Trust.



Name: Mr Les Lawrence
Role: Chairman Designate/Senior Independent Director
Appointed: April 2012

Qualifications and professional experience: Les was Cabinet Member for Children, Young People and Family Services at Birmingham City Council, a post he held from 2004 until 2012 together with holding senior posts in the Local Government Association over the same period. Before joining the Trust, he was Chairman at the Royal Orthopaedic Hospital for seven years and Chairman at the Alexandra Hospital in Redditch for four years. Prior to this he was a Non-executive Director and Vice Chair for South Birmingham Health Authority. He has substantial NHS, local

government and private sector experience, the latter in the computer and aerospace industries.

Key area of interest for the year: Les picked out two highlights for the past year. These are the increased participation by young people in the NHS so they can influence services and provision, and also the ongoing development of the concept of continuous improvement at the Trust, to underpin delivery of integrated care and support.

Contact: les.lawrence@heartofengland.nhs.uk



Name: Mr David Lock
Role: Non-executive Director
Appointed: July 2013

Qualifications and professional experience: David Lock became a barrister in 1985 and became a QC in 2011. He is a member of Landmark Chambers, London, but lives in Worcestershire. He served as a Member of Parliament between 1997 and 2001, and as a Minister at the Lord Chancellor's Department from 1999 to 2001. David specialises in the legal rights and responsibilities of NHS bodies and is regularly instructed to advise and appear in court for a wide variety of NHS organisations.

David was a member of the Department of Health Expert Panel advising the Secretary of State on EU based patients coming to the UK for organ transplants. He is a member of the BMA Ethics Committee, is Chair of Innovation Birmingham Limited and is a trustee of Brook, the young people's sexual health charity.

Key area of interest for the year: David brings his knowledge of acting for NHS bodies over many years to his role as a Non-executive Director. He is leading for the Board on reforming the Trust's approach to working with patients to help them make informed decisions about their own treatments, which is one of the work streams responding to the Kennedy Report. He has a particular interest in all aspects of governance and sits on the Quality and Safety and Audit Committees.

Contact: david.lock@heartofengland.nhs.uk



Name: Ms Alison Lord
Role: Non-executive Director
Appointed: May 2013

Qualifications and professional experience: Alison is a Fellow of the Association of Chartered Certified Accountants and the Association of Business Recovery Professionals and is a member of the Institute for Turnaround. She has held a number of executive and non-executive roles in a variety of health and social care organisations, as well as providing strategic restructuring advice to both private and public providers, including NHS Wales. She was previously a Non-executive Director at Birmingham and Solihull Mental Health NHS Foundation Trust.

Key area of interest for the year: On 1 July 2013, Alison took over as Chair of the Audit Committee and has overseen a change of focus for the committee to further strengthen Board governance processes. She is also leading a review of the flow of information that is received by the Board with a view to increasing Ward to Board visibility, as part of the task force arising out of the Kennedy Review.

Contact: alison.lord@heartofengland.nhs.uk



Name: Professor Edward Peck

Role: Non-executive Director

Appointed: April 2012

(Leaving 31 July 2014)

Qualifications and professional experience: Edward is Pro-Vice Chancellor and Head of College of Social Sciences at the University of Birmingham. Edward first joined University of Birmingham 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. He is a Council Member of the Birmingham Chamber of Commerce. In the early part of his career he was as an NHS manager.

Key area of interest for the year: "I have been pleased to chair the Trust's Research Committee on behalf of the Board. This year has seen Research and Development grow stronger with more of our clinicians involved in research and a fantastic achievement in recruiting patients to our clinical trials. All this means more and more of our patients are getting access to leading edge treatments at their local hospital."

Contact: edward.peck@heartofengland.nhs.uk



Name: Dr Jammi Rao

Role: Non-executive Director

Appointed: July 2013

Qualifications and professional experience: Jammi is a public health physician with many years' experience in the NHS. He has been a Director of Public Health for the former North Birmingham Primary Care Trust, and worked for a time in the Senior Civil Service. He chaired the West Midlands Multi-Centre Research Ethics Committee for many years and served for a term as Trustee of the British Medical Association, and of the Faculty of Public Health. He currently holds a Visiting Chair in Public Health at Staffordshire University and is a judicial office holder as a medically qualified member of the Social Security and Child Support Tribunal.

Key area of interest for the year: Jammi has a long-standing interest in the use of the best available evidence to guide choices in health care decisions. As a public health physician he is keen to raise awareness of the risks inherent in medical and surgical technologies and of the need to weigh up the costs and benefits of any proposed intervention. In October he took over as Chair of the Trust's Quality and Risk Committee.

Contact: jammi.rao@heartofengland.nhs.uk



Name: Professor Laura Serrant

Role: Non-executive Director

Appointed: April 2012

Qualifications and professional experience: Laura is a Director of Research and Enterprise/Professor of Community & Public Health Nursing / Associate Dean (Research and Enterprise) at the School of Health and Well-being 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.

Laura 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.

Key area of interest for the year: Laura has found being a member of the Audit Committee and Quality and Safety Committee a highlight, especially covering equality and diversity issues in health care provision and workforce development. Laura has an interest in public health and community issues impacting on service demand and strategy development.

Contact: laura.serrant@heartofengland.nhs.uk



Name: Mr Adrian Stokes

Role: Deputy Chief Executive & Director of Delivery

Appointed: July 2008

Qualifications and professional experience: Adrian was appointed to the Trust Board in July 2008. He graduated from Lancaster University in 1992, working his way through the NHS Finance Graduate Training Scheme and being appointed to a succession 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.

Adrian is on the Board of the Heartlands Education Centre Ltd and chairs the Pan Birmingham Decontamination Board.

Key area of interest for the year: Adrian was asked to take on a new emergency pathway transformation role during winter 2013 which he found challenging and rewarding. He has led on running the 'breaking the cycle' initiatives across the Trust which have made a significant impact to the Emergency Care Pathway.

Contact: adrian.stokes@heartofengland.nhs.uk

Mr Aidan Quinn was appointed Acting Director of Finance and Performance from 9 December 2013; however Adrian Stokes retained Board responsibility for finance issues.



Name: Mrs Lisa Thomson

Role: Director of Patient Experience & External Affairs

Appointed: November 2012

Qualifications and professional experience: Lisa is an extensively experienced Communications and Corporate Affairs Director. Before joining the Trust, Lisa spent 12 years in senior leadership roles including stakeholder and investor relations at holding company Finelist plc, transition and change management on an international BPR programme and national experience for the Department of Health. Lisa also specialises in business integration programmes, implementation and design and has worked on over 100 mergers and acquisitions.

With a strong crisis management background, Lisa has led on major investigations, including the Sir Ian Kennedy Review, developing pro-active crisis media and stakeholders' strategies.

Key area of interest for the year: Lisa was asked to take on the managing director role for Solihull during the past financial year and in six months reduced length of stay from 18 to 11.3 days saving over 2,000 bed days. At the same time, patient experience improved, with NHS Choices showing four out of five patients would now recommend the hospital.

Contact: lisa.thomson@heartofengland.nhs.uk



Name: Dr Sarah Woolley

Role: Director of Safety and Organisational Development (OD)

Appointed: May 2007

Qualifications and professional experience: Sarah is responsible for leading the Trust's patient and organisational safety agenda. She trained as a clinical biochemist in the West Midlands, undertaking analytical and diagnostic services to support clinical care for patients. Before joining the NHS, Sarah worked as a research scientist at Manchester University, investigating the mechanism of chronic myeloid leukaemia.

Key area of interest for the year: "Social media is a great tool to use to share learning and engage with staff around best practice. Following on from last year's Safety September campaign, we have developed a series of safety Apps which have been promoted through Twitter. We are now looking at other new ways to modernise the way we use safety guidance, making it more available and accessible to staff via social media and online tools."

Contact: sarah.woolley@heartofengland.nhs.uk

Executive Management Team

On 1 May 2014 the Trust made changes to the Executive Management Team with a view to realigning it to deliver the improvements in quality, safety and efficiency required. We learned from the recent winter activity that management across structures was in need of streamlining, greater clarity was required around reporting lines and responsibilities, and that we needed greater focus on operational delivery.

This new structure aims to:

- Realign the roles of the Executive Directors, a team of seven;
- Create a delivery function through an executive triumvirate of the Chief Nurse, the Deputy Chief Executive & Director of Delivery and the Medical Director that mirrors those at divisional, site and directorate levels throughout the organisation;
- Disestablish the hospital managing director roles, although Richard Parker, who recently joined us as the Interim Managing Director for Good Hope Hospital, will continue in his role until the end of his assignment to provide additional support and continue the excellent work that he and the team on the site have already initiated;
- Transfer the function of corporate governance to the Company Secretary with this role jointly reporting to the Chief Executive and Chairman;
- Enhance the scope of the Medical Director role, which will be supported by an additional two Deputy Medical Director roles; and
- Reduce the size of the Executive Management Board.

The new structure of the Executive Management Board is:



*voting Board member



Strategic Report

Contents

24	Our Business Model & Services
26	A Forward Look - HEFT in the Future
27	Our Top Priority - Safety
29	Performance
32	Monitor
35	Hospitals & Services
36	Heartlands Hospital
39	Laboratory Medicine Transformation*
40	Good Hope Hospital
43	Collaborating Care Programme*
44	Solihull Hospital & Community Services
48	Sir Ian Kennedy Review*
50	Birmingham Chest Clinic
52	Women's & Children's Services
56	CQC Inspections*
58	Workforce
60	National Staff Survey
62	Equality & Diversity
64	Research & Development
66	Heart of England Charity
68	Patient Experience & External Affairs
72	Information Communication Technology (ICT)
74	Estates
78	Sustainability & Carbon Plan
82	Finance Review

* Key Focus Area Report

The following accounts have been prepared under a direction issued by Monitor under the National Health Service Act.

Our Business Model

We are an acute NHS hospital foundation trust that provides a wide variety of health care services both from our own sites (hospitals and clinics) and in the community. These services are funded predominantly by local Clinical Commissioning Groups and NHS England.

Our strategy, the way we operate, the risks we face and our governance arrangements are described more fully in the following pages.

Our Services

Acute Medicine
Anaesthetics
Cardiology
Day Surgery Unit
Dermatology
Diabetes
Elderly Care
Emergency Medicine
Ear, Nose & Throat
General Medicine
General Surgery
General Surgery/ Gastroenterology
High Dependency Unit
Infectious Diseases
Intensive Care Unit
Obstetrics and Gynaecology
Oncology/Haematology
Ophthalmology
Paediatrics
Pathology/ Laboratory Medicine
Pharmacy
Radiology
Renal Medicine
Respiratory Medicine
Rheumatology
Theatres
Therapies
Thoracic Surgery
Trauma & Orthopaedics
Urology
Vascular Surgery

A Forward Look - HEFT in the Future

At Heart of England NHS Foundation Trust we're making some important changes to how we deliver our services. This is absolutely necessary because, like the NHS itself, we face huge pressures – social, clinical and financial.

The community the Trust serves is growing, and an increasing number of people within it are becoming older and sicker, with multiple long-term health conditions.

At the same time, the NHS is refocusing its priorities from measuring waiting times to measuring quality. This is entirely right, and it means that we must redouble our efforts to put patients at the heart of everything we do, to focus on improving their experience of healthcare, and to optimise the outcomes of treatment.

Because of its size and complexity, we believe that the Trust is better placed than many smaller health service organisations to rise to the challenges that we all face. Operating an integrated healthcare system and multiple sites gives us the flexibility and the resources to make some really radical changes.

We have developed a strategy to help us navigate through the next three to five years, and met with many people in our local communities to learn what they want from us in future. We will continue to engage with our local communities and this collaborative process will continue as we work on the finer detail of our plan.

Our proposed plans involve core and acute services still being available to the vast majority of our patients within a 20 minute travel time from their home; and their nearest hospital will remain the 'front door' to the Trust's hospital services.

Each of the three hospitals will develop their own distinct identities and specialties, working together to improve outcomes for patients.

The Trust's strategy therefore centres around transforming our services. We are:

- Continuing to talk to all our stakeholders so that the changes we make meet the needs of the communities we serve;
- Creating a clearer role and identity for each of our hospitals;
- Investing in out of hospital services;
- Shifting more resources towards our acute (first 48 hours) services;
- Changing working culture and our thinking on when we admit patients and where and how we look after them while they are in our care.

To find out more about the Trust's corporate strategy please visit the Trust website at www.heartofengland.nhs.uk.



Our Top Priority – Safety

A top priority for the Trust, each hospital, team and staff member is to be safe and caring. This year we have continued to work with our clinical teams to devise and deliver a range of safety improvement programmes to improve patient safety in our hospitals.

Medication safety continues to be a high priority for the Trust and is present in many of our key work streams following the introduction of a Medication Safety Improvement Programme. Lisa Everton-Richards, the widow of a patient who died due to a medication error, now sits on the Quality and Risk Committee and plays a key role in our Medication Safety Programme.

As part of this programme, work began last year to reduce the number of avoidable delayed and omitted doses of medication. We started with a revision of our electronic prescribing (EP) codes, to enable nursing staff to more accurately and efficiently record the reasons for non-administration. This has enabled staff to identify areas for improvement such as there being a lack of stock on the ward.

A medication dashboard for antibiotic prescribing was also piloted at Solihull Hospital to eliminate missed and delayed antibiotic doses. The dashboard allows clinicians to view their own and Trust-wide performance in relation to antibiotic prescribing. It has led to marked improvements with timely stat dose administration (this should be within a one hour time frame), and antibiotic stop date performance. Following its initial success, the Improvement Programme and the dashboard is due to be launched at Heartlands and Good Hope Hospitals during the second part of 2014.

With new technology progressing to enhance and improve medical practice, we now encourage the use of new technologies on our wards to enable new ways of working to deliver care. This includes using iPads, iPhones and other portable devices. The recent introduction of clinical Apps now gives staff the opportunity to have instant access to policies, procedures, pathways and guidelines.

During 2013/14, we have worked to develop a series of safety Apps, with the emergency medicine App, eMap, being the first to roll out to clinical teams. eMapp was designed for use at the bedside by registered practitioners working with patients and contains key information, flowcharts and tables along with local and national policies and guidelines to support teams.

A set of safety manuals has also been produced for nursing and clinical staff which are available electronically and in pocket sized compacts. These are quick access guides for staff to our top key policies, procedures, guidance, pathways and algorithms.

Surgical safety has also been a key area of focus. Alert cards have been created and are being trialled to encourage the escalation of concerns, and awareness posters have been put up in theatres to promote the importance of pre-operative marking for correct site surgery. Sharing the learning from incidents Trust-wide through the 'lesson of the month' campaign initiative and the publication of serious untoward incident 'at a glance' reports alert staff to the issues and incidents that occur in all areas of surgical/clinical practice and provide key learning to prevent these happening again.

Patient safety walkabouts are still running on a regular basis, giving front line staff the opportunity to discuss any safety issues or concerns directly with the Executive Team when they visit their ward or area. Several safety improvements have been initiated following those conducted this year. These include a new blood refrigerator to prevent delays in Obstetrics at Good Hope, the purchase of a trolley for Radiology at Solihull and ceiling repairs to the staff locker room at Birmingham Chest Clinic. The walkabouts are also a way to pick up good practice and to share it with the rest of the organisation.

Staff safety is an area of continued focus, making sure we keep our staff updated with their training and highlighting any issues that could affect them whilst working in clinical and corporate areas. Recent staff safety awareness work includes needle and sharps safety to minimise the risk of needle stick injury; PREVENT training which is part of the government's counter-terrorism strategy; and further work around how to deal with violence and aggression in the work place.

Alongside this, the Trust has a series of patient and staff forums that patients and staff may use to raise concerns and to discuss how best to tackle them moving forward. We will continue to work with staff on making safety improvements and, as a Trust, we continue to work together to develop and provide the safest and best possible care for each and every patient that we see and treat.

More information about our safety improvement work can be found in the Quality Accounts section of this report.

Safeguarding our Patients

The Trust takes the safeguarding of all of its patients very seriously and during 2013/14 the Safeguarding Unit continued to focus on enhancing training opportunities for all clinical staff in relation to safeguarding adults and children.

The number of children referred to Children's Social Care from the Trust's services increased from an average of 446 each quarter during 2012/13 to 599 each quarter during 2013/14. This is possibly a response to the number of high profile child protection cases reported in the media and may also be related to improved Level 3 training being rolled out across the adult Emergency Department workforce.

A number of detailed safeguarding reviews, including internal management reviews, significant incident learning processes and domestic homicide reviews, have been completed during the last 12 months and implementation of recommendations from them is monitored closely by the Trust. The initiation of statutory domestic homicide reviews has led to the development of a business case which aims to increase appropriate support to domestic violence victims presenting via the Emergency Department.

The Care Quality Commission (CQC) has also reviewed safeguarding arrangements as part of the Paediatric Review and a specific Safeguarding and Looked After Children Review which was undertaken in January 2014. This review looked in detail at the safeguarding arrangements in place across the health economy, particularly at how well health professionals from various providers share information and work together to identify and respond to child protection and safeguarding risks. The Trust has contributed to an Improvement Action Plan which is now in the final stages of being agreed.

The Trust produces a separate and detailed Annual Report on Safeguarding and this is available on the Heart of England website at www.heartofengland.nhs.uk from May 2014.

Performance

2013/14 has been a challenging year for the Trust in respect of its performance against a number of key targets.

The delivery of the A&E four hour target has proved to be particularly difficult and the Trust has been issued with Enforcement Undertakings by Monitor, our regulator, in respect of this. Further information on Monitor can be found on p.32-34 of this report.

Performance against the cancer indicators has generally been good with occasional lapses in performance against the two week wait and 62 day cancers; the former due to a significant increase in referrals to the service and the latter in relation to the delivery of our urology cancer pathway. We always work closely with our local Clinical Commissioning Groups (CCGs) when concerns around delivery of targets arise and develop action plans to improve performance.

Up until quarter four we were delivering all of the 18 week referral treatment indicators; however for the admitted pathway we had developed an increasing backlog of patients waiting to be treated and made a decision to prioritise treating some of our longest waiting patients over quarter four of 2013/14 and quarter one 2014/15, which means that we will fail the indicator. This was a decision taken to ensure that all our patients receive the care they need in the quickest time possible.

The Trust improved on the number of cases of C.difficile this year. We had 88 cases – this is six less than last year and analysis up to the end of quarter three showed that only 24 of these were avoidable.

Away from the main national Monitor targets, the Trust is measured against a number of other indicators including:

- A range of indicators relating to patients that have had a stroke – further information on our performance against these is provided in the Quality Accounts section of this report;
- A number of indicators relating to Maternity Services. These show we have improved our breastfeeding rates to 70 percent of women initiating breastfeeding (up three percent on last year) and that we have very good processes in place to ensure that babies at risk of developing tuberculosis (TB) are vaccinated before they leave hospital.

The Trust still has some work to do to improve our performance around ambulance handover times and are working with our partners across the local health economy to address this important issue.

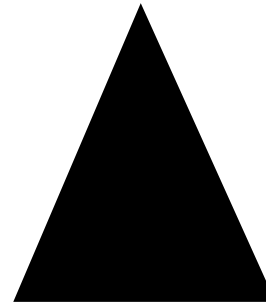
We are pleased that we have been able to reduce the average of length of stay in hospital for patients admitted as an emergency by nearly two days since the start of the year; this shows improvement in our processes for managing discharges.

Emergency Care Under the Spotlight - What We are Doing

The Trust has experienced a challenging year in terms of Emergency Care, with high numbers of patients attending our Emergency Departments with increasingly complex conditions.

With the number of people attending A&E continuing to grow, we have, like many other hospitals across the country, experienced periods of pressure. But in winter 2013 patients have experienced fewer delays than last year. Part of the way the team achieved this was by setting up several initiatives:

- The 'Perfect Week' scheme - all teams in the organisation focused on reducing delays in care and delays in discharge, including ensuring every patient was seen early every day by a consultant. This combined effort highlighted many fundamental improvements which added up to produce significant improvements in care.
- The introduction of rapid assessment teams to our Emergency Departments has meant that patients are seen by more senior staff early on in their care resulting in better quality of care and quicker decision making.
- The employment of a GP at Heartlands Hospital during the day time to see patients who present with illnesses not requiring hospital specialist care.
- Ambulatory Care has been launched at all three sites and is continuing to develop so patients are seen, investigated and begin treatment all in one day for conditions that would have previously needed a hospital admission.



“Significant investment into Good Hope Hospital’s A&E department was a positive highlight for 2013 with a transformed layout and brand new facilities.”



Accid

AMBULANCE

594

94

NHS
AMBULANCE

OU06 CVK

Monitor

Overview

For the first six months of the year (up to 30 September 2013), the Trust was measured under the Compliance Framework. In line with this guidance, in May 2013 the Trust Board made an Annual Plan submission to Monitor that detailed the finances for 2013/14 by quarter and also made statements about the expected level of governance compliance for that year. Monitor then assessed the Trust's expected performance levels and issued a financial risk rating and a governance risk rating. At that point the Trust had a financial risk rating of four and a governance risk rating of amber-green on the grounds that we declared A&E performance issues a risk.

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 risk ratings that are published on its website.

On 1 October 2013 the Compliance Framework was replaced with Monitor's Risk Assessment Framework. Many of the requirements to produce annual plans, to submit quarterly returns and to notify Monitor on an ad hoc basis remained the same, but there were changes to the assessment criteria.

Explanation of Risk Ratings

a. Financial Risk Rating

Under the Compliance Framework, the financial risk rating was 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 I&E surplus margin (%); and
- 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 five and the lowest score is one.

The Risk Assessment Framework uses a measure of continuity of services rating (COSR) to determine the level of financial sustainability. There are four scores available with level four being the highest ranking score. The COSR is assessed using two factors:

- a) Liquidity ratio score calculated as the number of days' expenditure the Trust holds in working capital; and

- b) Debt servicing ratio calculated as the number of times the Trust's operating surplus covers the interest it has to pay.

Both of these criteria are marked out of four and the average of the two scores generates the COSR score.

b. Governance Risk Rating

Under the Compliance Framework, the governance risk ratings available were red, amber-red, amber-green, and green. There are a number of factors that were 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 national core standards that the Trust was assessed against were:

- Referral to treatment time, 18 weeks in aggregate, admitted patients
- Referral to treatment time, 18 weeks in aggregate, non-admitted patients
- Referral to treatment time, 18 weeks in aggregate, incomplete pathways
- A&E clinical quality- total time in A&E under 4 hours
- Cancer 62 day waits for first treatment (from urgent GP referral)
- Cancer 62 day waits for first treatment (from NHS Cancer Screening Service referral)
- Cancer 31 day wait for second or subsequent treatment – surgery
- Cancer 31 day wait for second or subsequent treatment - drug treatments
- Cancer 31 day wait from diagnosis to first treatment
- Cancer 2 week (all cancers)
- Cancer 2 week (breast symptoms)
- C.difficile -meeting the C.diff objective
- MRSA - meeting the MRSA objective
- Compliance with requirements regarding access to healthcare for people with a learning disability
- Community care - referral to treatment information completeness
- Community care - referral information completeness
- Community care - activity information completeness

Each of the performance standards were allocated a score and if the Trust had not hit any of these measures the cumulative score was the basis for the Trust's governance risk rating, which was considered alongside any other overriding factors.

In the Risk Assessment Framework from 1 October 2013 the governance rating considers whether there is a potential breach of the governance condition. This considers the performance against selected national access and outcome standards, CQC judgements in the quality of care provided, and other relevant information to determine the rating. The targets are as above except that the MRSA target has been removed. The Trust is rated either green, where no issues have been identified, red where an enforcement action has been taken or is given a rating that is accompanied by a description of status and action being taken.

More details on the factors taken into consideration for the risk ratings can be found on the Monitor website at www.monitor.gov.uk/raf.

Trust Performance

The following table details the financial/ COSR ratings and governance ratings for each quarter of the past two years and the expected year end position in the Annual Plan:

2013/14 performance

	Annual Plan 2013/14	Quarter 1 2013/14	Quarter 2 2013/14	Quarter 3 2013/14	Quarter 4 2013/14
Under the compliance framework					
Financial risk rating	3	3	3		
Governance risk rating	Amber- Green	Red	Red		
Under the risk assessment framework					
Continuity of services rating				4	4
Governance rating				Red	Red

2012/13 performance

	Annual Plan 2012/13	Quarter 1 2012/13	Quarter 2 2012/13	Quarter 3 2012/13	Quarter 4 2012/13
Financial risk rating	3	3	3	3	4
Governance risk rating	Green	Green	Amber-green	Amber-green	Red

Financial Risk Rating

When the Annual Plan was set in May 2013 it was expected that a level three financial risk rating would be achieved. As the delivered financial performance of the Trust is largely in line with what was set out in the plan, the Trust has achieved an actual risk rating of three for the first two quarters of the year. The Trust has relatively high working capital balances and a relatively small amount of interest to pay, it scores as a four for both criteria under the COSR so is an overall four score for quarter three and four. The best available score under COSR is four.

Governance Risk Rating

The Trust started the 2013/14 year reviewing the risks to performance targets and in the annual plan submission declared that the A&E four hour target was at risk. It expected to meet all other targets and the Trust had an amber-green rating at this point.

In quarter one and quarter two the Trust was rated red because the organisation had not hit the A&E target for more than three successive quarters. In addition, the Trust did not hit the target for C.difficile. As a result of the A&E issues, the Trust was escalated under the Monitor Compliance Frameworks and the Risk Assessment Framework which resulted in enforcement action.

The Trust will remain rated red until this enforcement action is removed. In quarter three the Trust also did not meet the C.difficile target and the cancer 62 days wait for first treatment from GP referral target. In quarter four the Trust also did not meet the referral to treatment time 18 weeks admitted patients target and the cancer two week wait (breast cancer and other cancer) targets.

In 2012/13 the amber-green ratings in quarter two and three were caused by missing the A&E four hour wait target and the red rating in quarter four was as a result of the target having been missed for more than three consecutive quarters. In quarter four the Trust also missed the MRSA full year target by one case.



Hospitals & Services



Birmingham Heartlands Hospital

Introduction

Heartlands Hospital is located in Bordesley Green, East Birmingham, covering East and Central Birmingham alongside providing some services to the whole of the Trust's catchment area. It offers a full range of acute medical, surgical and trauma services, including Accident & Emergency (A&E), Children's Services and Maternity. The hospital also has supporting diagnostic services and a number of regional specialties, among them Cystic Fibrosis and Renal Services.

The site has a total of 750 beds plus a community ward of 26 beds offering intermediate care. These are broken down into 628 acute medical and surgical beds, 64 maternity beds, 39 paediatric beds and 19 critical care beds.

The site has a total of 2,143 staff and an annual budget of £152.8 million.

In terms of activity during 2013/14, the hospital covered:

- 113,661 A&E attendances
- 37,985 emergency spells
- 29,107 elective and day cases
- 313,791 outpatient appointments
- 6,423 births

Meet the Site Team



Carl Holland
Head of Operations



Dr Govindan Raghuraman
Associate Medical Director



Dianne Eltringham
Head Nurse



Lyn Fisher
Associate Head Nurse



Louise Everett
Associate Head Nurse

Key Achievements

Successes for the hospital include launching a four bay Day Procedure Unit within Cardiology. This is separate to the main ward area and has increased the efficiency with which patients receive their procedures. A new, state-of-the-art dementia hub has also been opened on Ward 30 which includes a 'reminiscence pod' for patients.

Chemotherapy patients have been able to attend the Haematology and Oncology Day Unit six days a week from this year giving them more access to chemotherapy treatment.

Major steps forward this year have included getting more of our patients home safely and launching new initiatives which mean more patients receive treatment at home. The hospital's Supported Integrated Discharge (SID) initiative, which enables patients to be discharged home earlier with ongoing support from clinical teams, has been an overwhelming success. The Out of Hospital Parenteral Antibiotic Services (OHPAT) have been further developed enabling patients with infections to be treated with intravenous antibiotics in their own home.

Within Stroke Services, the site has seen the development of hyper acute stroke services which benefit patients by ensuring those with a suspected stroke are conveyed by ambulance to a dedicated specialist stroke service where the patient will get a rapid CT scan and initiate rapid thrombolysis (clot busting) therapy as required.

Non Interventional Ventilation (NIV) Services in Respiratory has been expanded to provide up to 12 beds this year. This has enabled the site to better manage its traditional winter pressures from patients with acute and chronic lung conditions and it has reduced the demand on intensive care beds.

Looking Ahead to 2014/15

Increasing both patient and staff satisfaction continues to be of utmost importance, alongside ensuring we maintain and continue to recruit a highly skilled, flexible workforce who can respond to the continuing challenges of the Trust and the NHS as a whole.

In terms of site development, the hospital is working towards becoming a regional vascular unit with a hybrid theatre and becoming one of the ten national bariatric centres within the UK. Plans are underway to create a new endoscopy unit and a severe and brittle asthma service to be developed under the specialised commissioning structure. A new frailty unit for the rapid assessment of our elderly and frail population is also a priority with the aim of avoiding admission where possible and returning patients to their own homes.

The development of a trauma assessment unit on the trauma wards is also being planned for next year. Work is ongoing for the site to achieve screening centre status for the delivery of flexible sigmoidoscopy and we are aiming for the full centralisation of hyper acute stroke services on the Heartlands site.

The recommendations from the CQC visit continue to be a high priority, please see p.56 of this report for more details.

Key Focus Area Report

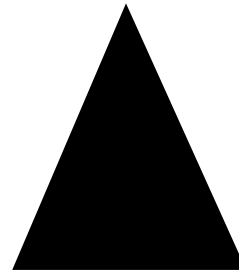
Laboratory Medicine Transformation

In line with national strategy on best practice, the aim of the pathology transformation scheme was to provide a high quality, efficient, 24/7 pathology service for the Trust and the local community, using a hub and spoke laboratory model. This was achieved through consolidation of non-urgent pathology samples to a hub site at Heartlands and the provision of 'hot labs' for processing samples requiring quicker turn around on the spoke sites of Good Hope and Solihull.

The result of the transformation was a £12 million, state-of-the-art building on the Heartlands site, which was completed and launched in 2013. This is equipped through a managed service contract, with the latest innovations in tracked automation and molecular technology supported by the IT infrastructure to provide seamless electronic requesting and reporting between laboratories.

The business benefits resulting from this investment are expected to deliver financial returns through VAT savings from managed automation, pay savings through workforce rationalisation and income via growth strategy.

With the tracked automation installation, transfer of laboratory staff across site and the non-urgent workload from the spoke sites completed in July 2013, the service is now providing a 24 hour manned sample reception and fully automated pre-analytics. A further benefit from the focus on a state-of-the-art specialist testing facility was the provision of an on-site toxicology service.



Moving forward into 2014/15, our plan is to work in partnership with Royal Wolverhampton Hospitals and Public Health England to expand on work which began in 2012 by the West Midlands Strategic Health Authority and to continue to promote the benefits to local CCGs of a single service NHS provider for local pathology services.



Good Hope Hospital

Introduction

Good Hope Hospital is 410 bedded acute hospital, serving a population of approximately 450,000. The hospital provides a full range of secondary care services both for medical and surgical specialties and serves North Birmingham, Sutton Coldfield and a large part of South East Staffordshire; alongside providing some services to the whole of the Trust catchment area.

The site has a total of 775 staff and an annual budget of £47 million.

In terms of activity for 2013/14, the hospital covered:

- 79,453 A&E attendances
- 22,283 emergency spells
- 30,049 elective and day cases
- 264,100 outpatient appointments
- 3,662 births

Meet the Site Team



Richard Parker
Interim Managing Director



Dr Arne Rose
Associate Medical Director



Carolynne Scott
Head of Operations



Ann-Marie Riley
Head Nurse

Key Achievements

Good Hope Hospital's key aim continues to be to provide a safe patient journey with a focus on assessment and treatment by the right professionals, in the right place at the right time.

As part of this aim, the Acute Medical Assessment Unit launched on Ward 21 in June 2013 and two short stay medical units opened on Wards 7 and 20 in September 2013. These changes improved the services we provide by ensuring that patients can be assessed, treated and discharged more quickly.

Good Hope, in partnership with Midland Heart, opened the domiciliary enablement unit, Cedarwood, in November 2013. As part of the Collaborating Care Programme (CCP), the hospital worked with local provider, Midland Heart, to provide this exciting new service to act as a stepping stone for patients who are ready to be discharged but not ready to return home. Please see p. 43 for more information on this initiative.

Introduced to Good Hope during 2013, the Ambulatory Emergency Care Unit (AECU) works to help prevent medical patients with an ambulatory sensitive condition having an unnecessary overnight stay in hospital. With four clinical rooms in the unit, patients either come through from the Emergency Department, having potentially been referred through the Rapid Assessment Team, or are GP referred direct.

Looking Forward to 2014/15

Good Hope Hospital is looking forward to expanding the community-based services provided and developing a discharge hub to support a quicker and more efficient means of getting patients home.

The site team is also working to further develop the acute assessment and short stay areas ensuring a seamless pathway for acutely medically ill patients in an improved, purpose-built environment. A new surgical assessment unit is also being planned for the hospital and we are working to implement nurse-facilitated discharge on all ward areas to help those patients ready to go home more quickly.

We have addressed and continue to improve on the issues raised in the improvement notice. Following a re-inspection by the CQC in March 2014, the CQC have verbally confirmed that Good Hope Hospital has shown substantial improvements and we anticipate that the A&E rating will be amended accordingly in the near future.

Key Focus Area Report

Collaborating Care Programme at Good Hope Hospital

Good Hope Hospital is working closely with existing NHS providers and local private providers Healthcare at Home, Midland Heart and St. Giles Care Agency to deliver an innovative and new service to patients under the approach of a Collaborating Care Programme (CCP).

The programme aims to manage patients in the most appropriate setting according to their health or social care needs. The CCP provides support to Good Hope Hospital patients via a purpose-built facility called Cedarwood, which houses 29 single rooms, with a dining/lounge area and kitchen. Patients admitted to this facility no longer require clinical support, but a period of convalescence where they are expected to dress, make their own breakfast and drinks and are supported in the early stages to do so. Domiciliary bridging packages of care are provided by St. Giles Care Agency, and Healthcare at Home provide a 36 bedded virtual ward offering clinical or therapy care through the Recovery at Home Service.

The project team has also implemented a dedicated trusted assessment team comprising REACT, Community Health nurses and ANPs, Recovery at Home and Cedarwood facilitators and social workers. This team identifies all patients across the hospital suitable for the CCP services between 08:00 and 22:00 using an agreed trusted assessment process.

The number of patients on the virtual ward initiative has increased from 26 to 36 and we have increased the St. Giles Care Agency numbers from eight to 12, strengthening the dementia part of this service. We have been challenged to keep Cedarwood consistently full to 29 beds and we are now moving patients over who require low levels of therapy and putting in therapy support. There has been significant progress in developing the trusted assessor team and working together as NHS and private providers.

In 2014 the team aims to introduce a dedicated therapist into Cedarwood in order to increase the amount of customers we see who need low levels of therapy input.

Midland Heart also has a well-respected research arm and they are conducting an evaluation of the service and providing a control group to accurately measure progress.

Moving forward, the CCP is keen to explore a Facilitating Rapid Elderly Discharge (FRED) model which begins at triage in the Emergency Department. The model uses eight pathways where the team will signpost appropriate patients to out of hospital care as an alternative to an admission.

This year the Healthcare at Home team has become a finalist at the 2014 In Health Investor Awards under the category Public Private Partnership of the Year and they hope to hear of the outcome in June 2014.



Solihull Hospital & Community Services

Introduction

Solihull Hospital and Community Services includes both a hospital site with approximately 200 beds and Community Services serving the Solihull population of approximately 220,000 people. It also provides some services to the whole of the Trust's catchment area.

The hospital includes a midwifery-led birthing unit and hospital inpatients for adults with a particular emphasis on acute and elderly medicine and elective surgery. Community Services staff provide a full range of adult's and children's community services.

Solihull Hospital and Community Services has a total of 1,450 staff and an annual budget of £75 million.

In terms of activity during 2013/14, the hospital site covered:

- 44,588 A&E attendances
- 6,562 emergency spells
- 21,127 elective and day cases
- 606,908 outpatient appointments across the Hospital and its Community Services
- 250 births

Meet the Site Team



Dr Rex Polson
Medical Director



Vanessa Wort
Head Nurse



Andrea Field
Associate Head Nurse
(Hospital)



Alison Massey
Associate Head Nurse
(Community)

Key Achievements

The Solihull Hospital and Community Services team has made significant progress on further developing an integrated approach to the healthcare provided and now have a fully integrated management structure across acute and community, bringing together operational management arrangements for Therapy Services. An integrated approach to care and patient pathways has brought about an improved patient flow and assisted in managing capacity on the hospital site.

The site commenced an Urgent Care Review in spring 2014, led by Solihull CCG, with four key aims. These were to ensure Solihull would have a long term urgent care service that would be sustainable, provide more “joined up” working; a safer “less confusing” service and increased access to walk-in services for patients. The Review was completed in April 2014 and its recommendations will be implemented and will continue grow and be embedded over the next 12 months. Visit www.solihullccq.nhs.uk/yourhealth/urgent-care-review for more details.

The Solihull site team has been very keen to work in collaboration across the local health and social care economy. In October 2013 Solihull Hospital jointly commissioned (with Solihull Metropolitan Borough Council and Solihull CCG) an audit of patients already admitted to Solihull Hospital and to intermediate care beds with the intention of understanding and improving the quality and efficiency of care delivery.

The audit has been well received by all partners and has facilitated discussion that will inform revised patient care pathways, alternative care provision and new ways of working locally. It has shown us that there are a number of patients who could be cared for differently. Currently some patients remain in hospital longer than they should and this audit will inform the transformation of care within the Hospital. The audit also gives us greater clarity in respect of transfer of resources to the community, ensuring greater numbers of patients are cared for, when appropriate, in their own home.

The development of the Community Assessment Unit on the Hospital site and the hospital’s Supported Integrated Discharge (SID) initiative, which enables patients to be discharged home earlier with ongoing support from clinical teams, have both been a success - leading to reductions in readmission rates.

The introduction of a revised critical care unit / high dependency unit model on the site has brought benefits to patients during the last 12 months as they can more readily be transferred to receive appropriate and timely care. The teams across sites became a combined unit in September 2013 when the cardiology nurses accepted the challenge of developing specialist clinical skills in order to safely care for level 2 patients.

Looking Forward to 2014/15

The Solihull team is working towards further reconfiguration of services to fully achieve its integration aspirations of getting the smoothest transition possible between acute and community.

Outside of hospital care is also a key focus moving forward as the way the hospital, and indeed the Trust and healthcare economy as a whole, work in treating patients is changing. In terms of integrated therapies, further work is being undertaken to progress the patient pathways available.

Moving forward we hope to continue further developing integrated working across acute and the community and we are also aiming to develop as an elective centre as part of the Trust's surgical reconfiguration programme of work.

The recommendations from the CQC visit continue to be a high priority - see p.56 of this report for more details.



Key Focus Area Report

Sir Ian Kennedy's Review of Breast Care Services at Solihull Hospital

To view the Kennedy Review document in full and its recommendations, visit the Trust website at www.heartofengland.nhs.uk/sir-ian-kennedy-publishes-findings-of-solihull-hospital-breast-care-review/

Background

The Trust commissioned Professor Sir Ian Kennedy to chair an independent review, on behalf of patients and staff, into how the organisation had handled the issues that arose from the surgical and behavioural practices of Mr Ian Paterson, a breast surgeon who formerly operated in the Breast Care Unit of the Trust, in order that lessons could be learned for the future to ensure the safety of patients.

This review has now been published and made available for all staff, patients and the wider NHS community to understand what happened, why it happened and what actions were taken to intervene on behalf of patients and staff who had raised concerns over an eight year period. The review makes a series of recommendations - to view these and read the review in full, visit the Trust's website.

A programme of work has been developed to support putting the recommendations into practice in 2014. This will be a piece of targeted and focused work to demonstrate innovation in each of the areas to establish an excellent basis for continued improvement which not only creates a safe and open culture for staff and patients but also one which places patients, families and carers at the heart of decision-making about their care.

Trust Taking Action

Whilst the Kennedy Review recommendations have been specifically identified for action over a period of six months, the work is recognised as part of the overall Trust strategy which will continue after this period to improve culture and provide high quality and person-centred care.

As part of the ten recommendations, the Board level lead is supported by a senior operational lead to help develop and deliver each of the respective work stream projects. Each work stream project lead has produced a detailed project initiation document detailing the overall approach, outcomes and measures they will use to ensure the effective development and delivery of their particular project.

Integral to each of the work stream projects is the use of effective change management tools ensuring that each project reflects on three areas:

- Workforce - What does it mean for our staff;
- Process - What does it mean for systems, policies and procedures; and
- Patient/Service Users - What does this mean for our patients/service users.

A task force has been established and is chaired by Lord Philip Hunt, the current Trust Chair. The task force will take responsibility for ensuring the overall progress of the ten work streams and will meet monthly, reporting progress to the Board. The membership of the task force is the Executive and Non-executive Leads as well as the Transformation Programme Lead and the Trust Secretary.

Involving our Community

Patients/Service Users: It is integral to the overall approach that patients are involved in the development, and where appropriate, delivery of the key recommendations.

A patient support group has been developed and the Breast Cancer Support Group (BCSG) has reviewed the Kennedy Report. BCSG has made comments and suggestions to the Trust which have been integrated into the work streams. The BCSG will work alongside the task force as part of the development of each of the ten recommendations to ensure that there is true partnership working.

Staff: Involving our staff is key to delivering the changes we wish to make. Staff will be involved in shaping many of the recommendation outcomes with particular focus on those relating to a patient-centred culture; values-based recruitment and workforce policies.

Governors and Community: A Governor representative has been elected to be a member of the task force. Alongside this the Patient Experience Group, which reports into the Council of Governors, will be part of the overall communication and assurance process for the recommendation programme.

The 10 workstreams:

1. Improving patient information and the patient environment.
2. Strengthening the Trust whistle-blowing policy.
3. Further development of a patient-centred approach in the Trust.
4. Reviewing the terms of reference and working arrangements for the Board's Quality and Risk Committee.
5. Improving our consent process - working to ensure the proper principles of agreeing patient consent for treatment are followed consistently.
6. Reviewing the flow of information to the Trust Board – ensuring that robust information channels exist to keep the Board informed about all issues.
7. Review of Trust disciplinary procedures - ensuring that investigations of patient care are carried out in a timely manner, that what we find out and learn as a result is shared with all relevant staff.
8. Development of a clinical leader support and development programme.
9. Implementation of 'values-based' consultant recruitment - ensuring that consultant recruitment processes include an assessment of core values, team-working skills and behaviours are assessed alongside clinical competence.
10. Development of a protocol for patient recalls - developing a standardised process to ensure that in future, patient recalls are planned and delivered in a patient-centred manner.

Birmingham Chest Clinic



Introduction

Birmingham Chest Clinic is located on Great Charles Street in the centre of Birmingham. The Clinic first opened in 1933 and celebrated its 80th birthday last year. Providing a range of outpatient services for its patients, it is no longer limited to treating patients with chest conditions, though these continue to be a large part of the Chest Clinic's activity. Patients travel from many parts of the country for assessment of conditions, such as occupational lung disease, interstitial lung disease, immunology disease and tuberculosis (TB).

The Chest Clinic saw 5,457 patients during 2013/14.

Meet the Site Team



Dr Martin Dediccoat
Consultant Physician, Chest
Clinic Lead Clinician



Hanna Kaur
Lead Nurse, TB Service



Pat Davis
Chest Clinic Manager

Key Achievements

Birmingham Chest Clinic has undergone a considerable amount of building work over the last year and this investment will significantly improve the environment for patients and staff. In spite of this, the team at the Chest Clinic has continued with business as usual and provided patients with high standards of care and treatment.

Birmingham has one of the highest incident rates of TB in the country and the Chest Clinic has this year been central to the city-wide response to this disease that was once thought to be controlled.

Current Challenges

Ensuring we provide essential services for hard to reach patient groups with a range of conditions continues to be a key challenge for Birmingham Chest Clinic. TB incidence has doubled in the last 20 years. Over the years the demographics and population has also changed in Birmingham. There has also been a rise in multi-drug resistant TB and the complexity of patients in terms of social risk factors including homelessness and substance misuse. The TB Service continues to work closely with our partners in public health to find new ways of tackling the disease.

Looking Forward to 2014/15

The Chest Clinic is a classic building in a modern healthcare trust. This year has seen essential work to ensure it can continue to play a part in the continuing healthcare of the people of Birmingham, as it has for the last 80 years. A new Consultant to lead the Interstitial Lung Disease Service is currently being recruited and we aim for the individual to be in post by summer 2014.

To meet the changing demands of the patients requiring the services of the Chest Clinic, the staff already deliver clinics on other sites and locations outside of the Trust. In the future, we are planning to develop nurse-led clinics and a new screening clinic in West Birmingham, as well as continued expansion of screening for hard to reach groups of people in the community.



Women's & Children's Services

Introduction

The Women's and Children's Division provides maternity and gynaecology services to women and paediatric services to children and their families.

In terms of activity for 2013/14, Women's and Children's:

- Helped deliver 10,335 babies born either in one of the three maternity units or at home;
- Provided emergency gynaecology care to 3,700 women;
- Saw more than 32,124 people in outpatients;
- Saw 3,161 day cases and attendances;
- Provided 3,479 days of intensive or high dependency neonatal care; and
- Saw more than 10,117 children for an emergency opinion with a further 22,964 in outpatient clinics.

The Women's and Children's Division as a whole delivers a wide range of services across the three sites to ensure local women can access the best of care based on national guidance and standards. This includes antenatal and newborn screening, a foetal well-being service and midwives and doctors working together as a team to ensure the provision of safe care. We also have a team of safeguarding midwives who provide a range of services to vulnerable women and their families to ensure we have optimum outcomes for women in our care. The maternity services include a standalone birth unit at Solihull and a co-located midwife-led unit on the Heartlands site called Willow Suite. There is also a designated midwife-led area on the delivery suite at Good Hope Hospital.

Children's Services at Heartlands house a paediatric assessment unit with observational beds and inpatient beds for patients staying longer than 24 hours. It also has a children's day case unit and a paediatric high dependency unit on the Heartlands site; and a children's assessment unit with observational beds for stays up to 23 hours is located on the Good Hope site. The Neonatal Unit on the Heartlands site is a level 3 unit housing intensive care cots and a specialist cooling cot. There is also a special care baby unit on the Good Hope site.

Children's and Neonatal Services offer specialist services in children's diabetes, cystic fibrosis, HIV, immunology, respiratory, cardiology, neuromuscular and dermatology. We also have a fully equipped paediatric high dependency unit and a dedicated children's phlebotomy service. There are children's outpatients services on all three sites.

The gynaecology team provides a wide range of gynaecology services across all three sites for women of all age ranges.

Meet the Directorate Team



Clive Ryder
Associate Medical Director

Joy Payne
Head of Midwifery, Women's
Services

Katherine Barber
Clinical Director Obstetrics &
Gynaecology

Julie Taylor
Head Nurse for Children's
Services

Dr Roopa Mulik
Clinical Director Children's
Services

Tracey Nash
Matron Gynaecology

Key Achievements & Looking Forward 2014/15

Maternity Services

The main priority of any maternity service is to deliver safe and quality care. With this in mind, the main priorities of the service in the past year have been to ensure there have been safe staffing levels and capacity within the service. The Trust has made a significant investment into the Maternity Service in the last year, with a further three year investment plan in place to ensure we have appropriate midwifery staffing levels and enough consultant hours to ensure appropriate consultant cover on the Good Hope and Heartlands sites.

The Trust is also investing in an extensive refurbishment of the Maternity Unit on the Heartlands site. There is a project team, known as Project Pelican, leading on this which also includes transformational projects to ensure appropriate pathways are in place to support practice and effective and efficient care.

The Eden and Snowdrop Bereavement Teams of midwives have achieved a number of awards in the past year for services they provide to women who very sadly have lost their baby. Aspen Ward on the Heartlands site won the best Student Midwife Placement Award from Birmingham City University; and midwife, Vicky Lowry, won the award for Student Support Midwife, also from Birmingham City University.

Our Neonatal Unit provides a Hospital at Home Service. This won a Clinical Excellence Award and Patient Carer Award at the Trust's annual Staff Recognition Awards for the service they provide nursing neonatal babies within the community. This service has enabled babies to be discharged into their own home and still receive specialist nursing care. This has reduced length of stay within the Neonatal Unit.

Looking Forward to 2014/15

There will be continued promotion of midwife-led care and our aim is to launch an awareness campaign on this. Pan Birmingham has also agreed to a unified pathway for midwife-led care and an opt out clause for women which will be put into place from April 2014 and is next year's Commissioning for Quality and Innovation (CQUIN).

The Heartlands Delivery Suite needs investment to enable it to better respond to its capacity needs. Plans are in place for this and it is a key priority for next year. The President of the Royal College of Midwives, Professor Lesley Page, will be visiting the Trust to help us consider future models for service delivery.

We wish to continue with sustained improvement in the services, developing some innovative midwifery roles, such as a high dependency unit midwife and an 8A matron for antenatal and newborn screening and foetal well-being. This will support leadership development and multi-disciplinary team working.

Children's Services

One of the key developments over the last 12 months for Children's Services has been investment into the Children's and Young People's Diabetes Service. The service now adheres to the national diabetes best practice quality standards. We have increased our medical and specialist nursing team along with significant input from specialist dieticians and psychology and this will shortly be available on both the Heartlands and Good Hope sites. A West Midlands Quality Review in April 2013 for children with long term conditions recognised the excellent service that is provided.

The Children's Directorate has also set up a shared care arrangement with Birmingham Children's Hospital (BCH) for children with cystic fibrosis. This means that both the Trust's and BCH's cystic fibrosis teams review their shared care patients at both hospitals – this gives excellent peer review and enhances the care to our children and the young people.

Looking Forward to 2014/15

The Children's and Neonatal Service's focus for 2014/15 will be the development of a transitional care unit in conjunction with obstetric services to provide quality care for mothers and babies together and also the development of a young person's unit within the Trust.

Gynaecology

To manage the team's specialist work load, we have appointed two new Consultants with special interest in urogynaecology and gynaecology oncology. The appointment of a urogynaecologist has already made a significant reduction in the waiting times for women needing genital prolapse and urinary incontinence surgery. We are aiming for our Gynaecology Oncology Service to be further strengthened when a new gynaecologist joins the Trust in June 2014.

A key highlight during this year for gynaecology was the development of pathways to triage and manage emergency gynaecology patients more efficiently. We have adopted and implemented new guidelines for the management of miscarriage in line with National Institute for Health and Care Excellence (NICE) recommendations and have been offering more women an outpatient or home management for miscarriages. This has helped in using our inpatient resources more efficiently.

Another major development in gynaecology has been the introduction of outpatient treatment for heavy periods. Traditionally, treatments such as removal of endometrial polyps and endometrial ablations were only being undertaken in theatre under general anaesthesia. Now we are routinely offering and performing these treatments under local anaesthesia in the outpatient setting, providing a safer and quicker treatment for many patients in addition to vacating theatre space to accommodate other cases.

Looking Forward to 2014/15:

Emergency Care continues to be a major priority area for gynaecology, especially on the Heartlands site. From July 2014, we are planning to increase Consultant input in the management of these patients and to this end, we are planning to make Consultants available for ward rounds and emergency work during their on call to support nursing staff and junior doctors. We are hoping that this will reduce unnecessary admissions for some patients and will facilitate timely treatment and discharge for those needing emergency gynaecology surgery.

Key Focus Area Report

Care Quality Commission Inspection

In July 2013, the Trust volunteered to be selected as one of the first wave of 18 trusts to be inspected against the new style CQC Chief Inspector of Hospitals Inspections.

The Trust received its first inspection between 11 and 15 November 2013. All three of the Trust's main acute sites (Heartlands Hospital, Good Hope Hospital and Solihull Hospital) were inspected. The inspection was followed by a series of unannounced visits across all three sites. The inspection process included staff focus groups, meetings with patients and their carers, meetings with external stakeholders and public consultation events.

The inspection process concluded with a risk summit attended by the Trust and various external stakeholders, including NHS England, Health Education England, the Trust's commissioners, Healthwatch, CQC and Monitor. The final reports were published in January 2014 and are available on the Trust website.

The CQC inspection assesses the Trust against five key domains and the final report summarised the Trust as follows:

Safe

While most services were delivered safely, the safety of patients in A&E at all three sites, the Acute Medical Unit (Ward 20) at Good Hope Hospital and the Critical Care Unit at Solihull were noted as needing improvement. The lack of initial assessment of patients in A&E at Birmingham Heartlands and Good Hope Hospitals led to some patients not receiving treatment in a timely manner. Clarity about the scope of services is needed in the A&E and Critical Care Services offered at Solihull. Staffing levels in some parts of the Trust, and whether they always had enough skilled, experienced staff to deliver safe care was a concern. The Trust had an active recruitment programme and could demonstrate that significant numbers of staff were due to start work in early 2014.

Effective

According to the clinical outcome data available at the time of the inspection, the Trust performed in line with other trusts of a similar size. Generally staff were well-trained and appropriate for their role. The exception to this was the Solihull A&E and Critical Care Unit, over which the team had concerns.

Caring

Most people whom the inspectors spoke to described their care as good and said that staff were caring, despite being busy. This was corroborated at the focus groups and listening events, in talking to patients on the wards and through the comment cards placed around the hospitals. The CQC team observed some good examples of excellent care, and some staff made an extra effort to ensure that patients received a high quality service. This was particularly noted at Good Hope Hospital in midwifery and children's care. Most patients felt that they were involved with their care and informed about their treatment plans.

Responsive

The inspectors noted the Friends and Family Test posters across the Trust where patients are asked about their likelihood to recommend the service to a member of their family or friends.

In general, the test boxes were well used and most posters had a "You said – We did" comment on them. The inspection team heard that the Trust had carried out significant work with the local population, particularly around the Heartlands site. This had resulted in a better experience for the bereaved families of patients who had recently died and improvements in releasing the body to the families for funeral arrangements. However, they found that the services in all the A&E Departments were not responsive to the needs of their patients, and that the Children's Care Services struggled to meet the needs of children and adolescents with mental health issues.

The Trust is failing to meet the targets set around the A&E Department and this is in part due to the capacity issues within the Trust. As with many trusts, patient flow is blocked at the point of discharge. The Trust is exploring new ways of ensuring that people are discharged safely and in a timely manner. However, this has yet to free capacity to reduce the wait in A&E for a bed at the hospital. Heartlands Hospital manages the capacity better than Good Hope and the team were unable to ascertain the reasons for this difference. The Solihull site had less of an issue, as the services it provided were more limited. However, at this site it was the transfer of patients which caused some delays.

Well-led

Staff were full of praise for their immediate line managers. They felt well supported by their ward managers and the matrons in their area. They appreciated that the Trust had made the ward manager role supernumerary (that is, in addition to regular headcount) and this had led to increased support and information available to staff on the ward areas. The support received from senior management varied, depending on the hospital location. The team spoke to the senior management team at each site, who were able to discuss the issues highlighted. They were aware of the concerns in A&E, how capacity issues were having an impact throughout the Trust and the actions taken to address this issue.

The Outcomes, in terms of Actions Required were:

- Warning Notice (Regulation 10) - Good Hope Hospital; (*)
- Compliance actions - (Regulation 9) - Heartlands and Good Hope Hospitals;
- Compliance actions – (Outcome 23) - Heartlands, Solihull and Good Hope Hospitals;
- Compliance actions – (Outcome 22) – Heartlands Hospital.

(*) Good Hope Hospital was re-inspected by CQC in February 2014. Initial feedback was very positive and the Trust is currently awaiting confirmation as to whether the warning notice will be lifted.

The Trust has provided four action plans to the CQC and to Monitor in response to each of the sets of compliance actions raised in the reports. These action plans are being monitored by the Executive Management Team.

The Trust was one of three first wave trusts to receive a pilot rating. The overall rating for the Trust is 'Requires Improvement'. We hope to be re-inspected and our rating to be reviewed in the coming months. Further information outlining the methodology for this rating can be found on the CQC website, www.cqc.org.uk.



Workforce

The Workforce Directorate at the Trust is responsible for operational Human Resources (HR) and workforce information, transactional and commercial HR and the Trust's Faculty of Education.

A breakdown at year end of the number of male and female employees is as follows:

	♀	♂
Directors	5	5
Other senior managers	127	57
Total number of employees	8,163	1,979

Staff ethnicity overview:

Black and minority ethnic	1,733	714
Non-black and minority ethnic	5,885	1,150
Not specified	677	177
Grand total	8,295	2,041

Disabled staff overview:

No	5,816	1,346
Not declared	2,301	650
Yes	178	45
Grand total	8,295	2,041

The Workforce Directorate has worked hard to continue reviewing and improving the services we provide for staff this year. The team has focused its efforts on achieving the following service improvements:

- Completing a system and process review of a large number of HR policies and procedures.
- Ensuring staff have the opportunity to undertake an online exit interview process.
- Improving the resource model in the operational HR team. This has included an increase in the overall resource in the operational HR teams and a realignment of the three divisional teams based at the Heartlands site to work together under one Senior HR Business Partner.
- Introducing the Employee Self Care Package. This is a workshop we provide for staff who have had some attendance problems and is aimed at raising self awareness about absences and increasing motivation to improve attendance.
- Improving workforce data reporting. This helps ensure managers have all of the required details to inform their decision making.
- Introducing regular workforce summits. These are bi-monthly meetings with senior nurses, managers and HR to review workforce trends and agree actions and improvements in workforce related issues.
- Completing the ground work in order to launch values-based recruitment at the Trust during 2014 which will strengthen the

recruitment process.

- Making improvements to the quality of mandatory training for staff.
- Continuing to develop an appraisal and performance framework for staff linked to the NHS Constitution and new Trust strategy.

A robust winter staffing plan was a key priority for the Workforce team and the Trust during 2013/14 following a challenging time dealing with winter pressures the preceding year. The team worked with ward managers and clinical leaders to reduce any key issues including sickness at ward and local level, and focused on promoting staff well-being, development and mandatory training with the aim of ensuring staff feel fully supported, fit for purpose and have the skills required to deliver best in class care.

During the year the team hosted a 'regional bank' pilot to enable the Trust to remain as robustly staffed as possible but, at the same time, ensured any opportunities for potential cost savings in locum expenditure were taken.

The Trust's Step In-to Work Programme, which involves recruiting staff from local communities, has been further developed with the Faculty of Education continuing to develop education and training linked to the key priorities of the organisation. We have also improved links with local education establishments and communities to further enhance the Trust's talent attraction pipeline.



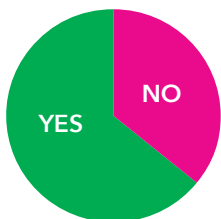
The priorities for Workforce in 2014/15 are to:

- Launch and embed the Friends and Family Test initiative for staff.
- Make improvements to the planning and delivery of medical and nursing recruitment.
- Reduce staff turnover and sickness across front line staff groups.
- Roll out the Total Reward Statement for all employees. This is a national work stream across the NHS that will provide employees with an annual statement of their total package of pay and benefits of working for the NHS. As well as confirming salary details it will also detail the monetary value of annual leave and pension contributions so that staff are fully informed of their total pay and benefits package.
- Continue to work on service review and improvement.
- Review disciplinary and whistle-blowing policies.
- Further implementation of behavioural-based recruitment.

National Staff Survey

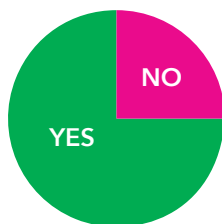
Trust overview - our overall engagement indicator can be represented as follows:

Able to contribute towards improvements:



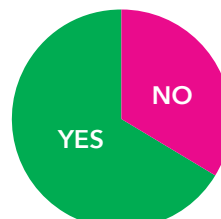
Bottom 20% when compared with other Acute Trusts

Motivation at work:



Bottom 20% when compared with other Acute Trusts

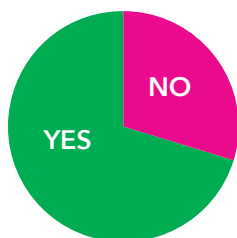
Recommend as a place to work or receive treatment:



Bottom 20% when compared with other Acute Trusts

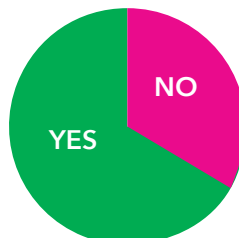
Overall staff satisfaction can be represented as follows:

Job satisfaction



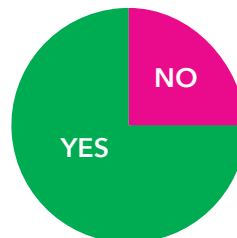
Bottom 20% when compared with other Acute Trusts

Recommend as a place to work or receive treatment



Bottom 20% when compared with other Acute Trusts

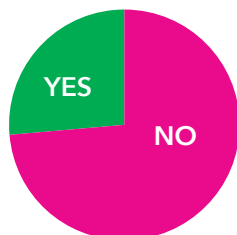
Motivation at work



Bottom 20% when compared with other Acute Trusts

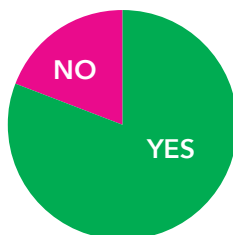
Overall staff satisfaction can be represented as follows:

E&D Training



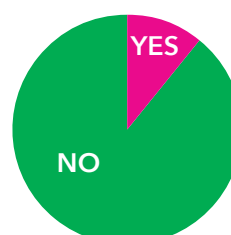
Bottom 20% when compared with other Acute Trusts

Recommend as place to work or receive treatment



Bottom 20% when compared with other Acute Trusts

Experienced discrimination



Above average when compared with other Acute Trusts

The National Staff Survey 2013, which samples 850 randomly selected staff, was run between September and December 2013. Our response rate was 32 percent, which is a decline on last year's 43 percent, and in itself is a sign of low engagement.

The Trust's score on the overall indicator of staff engagement was 3.60. This represents no statistically significant change on 2012's score of 3.63, and places the Trust in the lowest 20 percent of all acute trusts for engagement.

In 2013, the Trust sought to improve engagement with a number of initiatives, including specific action planning for 'hotspot' directorates, promotion of training and development, and the creation of the Live Well Work Well Group to monitor progress. We also tested a number of new staff involvement approaches, including innovative 'listening events' and supporting Apps to start dialogues on safety following the Francis Report.

Our results from these approaches have been mixed – we have seen some localised improvements, and had positive feedback on the staff involvement approaches. However, we have not been successful in improving engagement at the Trust-wide level.

The organisation remains committed to the ongoing improvement of staff engagement and wellbeing as one of our core objectives. We have reviewed our successes and failures in approach from previous years, and have a number of planned changes in our approach for 2014 as follows:

- Development of a Trust-wide Staff Engagement Strategy, focused on moving engagement for the majority of staff, as opposed to an emphasis on 'hotspot' action plans.
- An emphasis on how we deliver existing activities in a more engaging manner, over 'adding engagement on top,' to drive a more sustainable approach.
- Continue to increase staff involvement, for example the Live Well Work Well group re-focused into a Staff Engagement Steering Group that is representative of our staff, and takes a lead role in deciding on appropriate staff engagement activities.
- Align local action – support local engagement pledges around key staff themes, focusing on the positive changes that can be brought about within the immediate working environment.
- Increase our responsiveness – introduction of the new quarterly Staff Friends and Family Survey, and use of its more regular feedback to update and adapt engagement planning.

Equality & Diversity

The Trust is committed to providing high quality services which are accessible and appropriate to meet the needs of the diverse communities it serves.

The Trust works collaboratively with internal and external key stakeholders and partners to ensure its services and policies do not discriminate or disadvantage anyone because of their age, disability, gender re-assignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.

The Trust's Equality Delivery System Action Plan sets out the key priorities for the Trust in order to meet its duties under the Equality Act 2010. Equality and Diversity (E&D) are also at the heart of Trust strategy in terms of our staff as investing in the NHS workforce enables us to deliver a better service and improve patient care.

The E&D team continues to work collaboratively with a large number of departments to offer free training on deaf/deaf-blind communication awareness, disability equality, equality impact assessment, human rights and learning disabilities awareness. The E&D team seeks to encourage all of our staff to value the possibilities in each other and explore the opportunities that difference brings.

Key E&D Achievements for the Year Include

- Providing professional face-to-face interpreting services enabling effective communication to take place between patients/carers and staff. More than 10,200 interpreting sessions were provided in 65 languages at the Trust last year.
- Providing a multi-faith chaplaincy service based on individual needs across the Trust.
- The Trust's E&D/Learning Disabilities Steering Group which guides and monitors the work undertaken by the E&D Department and associated teams. The membership of this group includes internal and external key stakeholders.
- Diversity Staff Network/E&D Champions who support the Trust in becoming the employer and health provider of choice through delivering appropriate services. The Network/Champions also aim to support staff development, to harness skills within the Trust and to deliver excellent services to our local population. The Network/Champions encourage membership from diverse backgrounds, to reflect the local population the Trust serves.
- The E&D Department works collaboratively with Learning Disability Health Facilitation Nurse teams from the community to support Trust staff in patient care areas.
- The E&D Department and the Trust's Faculty of Education have developed and implemented a mandatory E&D Online Moodle training for staff. Training was launched in October 2013 and to date more than 2,500 staff have completed this training.

Current Challenges:

The Trust's E&D Action Plan outlines our objectives and identifies the challenges that we face in providing quality services to patients and staff from diverse backgrounds. Please find the plan at www.heartofengland.nhs.uk/equality-and-diversity/. Making progress against these continues to be a challenge, but we have put in place realistic targets for achieving the Trust's goals in this area.

How does the Trust give full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities?

- Recruitment and selection through the national NHS Jobs website.
- Disabled candidates that meet selection criteria will be offered an interview with consideration of reasonable adjustments at interview and if appointed thereafter.

How does the organisation continue the employment of, and for arranging appropriate training for, employees who have become disabled persons during the period?

- This depends on how the disability was acquired in terms of what policy is applied, however individuals could be supported through the Sickness Absence Policy or a referral to the Work and Wellbeing Service for consideration of reasonable adjustments to their current role or redeployment.

What is offered in terms of training, career development and promotion of disabled employees?

- The Trust has a robust Learning and Development Policy applicable to all staff.
- The Annual Workforce Equality and Diversity Report was presented at Trust Board in May 2014 for consideration of actions in relation to all protected characteristics including disabled employees.

Better Care Fund

The Better Care Fund is a national policy designed to shift funding from CCGs to social care to reduce the numbers of particularly older people waiting in hospital for social care services. In Birmingham the minimum funds that can be placed in the pooled budget is £82m. This money is not new money and the Birmingham Sandwell and Solihull Health and Social Care system are working together to best understand the implications of this particularly in relation to the impact on acute hospitals. In Birmingham this is being overseen by the Birmingham Better Care Board and its predecessors which has senior executive representation from the Trust, and is being considered in the context of a complete redesign of the unplanned care and community based systems.

Human Rights Act 1998

Heart of England NHS Foundation Trust is fully compliant with 'The Convention Rights' as outlined in the Human Rights Act 1998.



Research & Development

Research and Development has had its most successful year to date for recruitment of patients into research trials, particularly NIHR adopted studies and more than 400 research projects are currently in progress at the Trust. In 2013/14 there were 23 departments across the organisation taking part in research with between one and six research active consultants in each of these areas. The Trust recruited 5,626 patients in 2013/14 compared with 4,013 in 2012/13, an increase of 28 percent.

Clinical trials are the largest research activity performed at the Trust in terms of project numbers. We have a mixed portfolio of commercial studies and academic studies, the majority of which are adopted on to the NIHR portfolio.

Patient recruitment is highest in anaesthetics, pain, critical care and resuscitation, diabetes, haematology and oncology, respiratory medicine and thoracic surgery, with significant increase in research undertaken in ear, nose and throat, infectious diseases and paediatrics over the last 12 months.

The Trust recognises that improved care and better outcomes are strongly associated with research active institutions, and in July 2013 the Trust invested £3 million over three years in research. 2013 saw the initial investment of this strategy being implemented with new posts in research governance being filled.

During 2014 the Trust will see further developments with new academic appointments in healthcare safety, public health, nursing and haematology in conjunction with our University partners at the Universities of Birmingham and Warwick.

In 2013/2014, the Trust was the lead applicant in research grants totalling nearly £14 million. Following these applications funding of £1.5 million has been awarded, with decisions still awaited on a further £8m. Funding is predominantly from NIHR funding streams, although some funding has been secured from charities.

Numerous local projects undertaken by junior doctors, nurses, midwives and allied health professionals, under the supervision of experienced research staff, have also commenced at the Trust.

These projects are vital for the professional development of staff and encouraging and developing the researchers of the future, for changing practice and also in the potential of findings being used for further, larger research.

Clinical Research Ambassador Group

The role of patient, carer and public involvement in the design and running of research trials is becoming increasingly important as researchers strive to discover the clinical questions that matter to patients and their loved ones. In 2013 the Trust set up the CRAG. Membership of the group is open to anyone and the level of involvement is up to the individual – from receiving information to actively developing research ideas.

Ashridge Consulting

The Trust was also selected to participate in the inaugural NIHR Research and Development Leadership Support and Development Programme, run by Ashridge Consulting. This year-long commitment resulted in the Trust working alongside other NHS research and development departments across England to continue the drive to improve health research in the NHS.

With increased activity comes a greater requirement to be vigilant about research governance. A recent MHRA inspection has identified some weaknesses in the Trust's responsibilities as a sponsor and these will be a key priority for the Trust in 2014 and onwards.

Heart of England Charity



The Heart of England Charity is proud to support the wonderful staff, carers, families and patients at our local hospitals – Heartlands, Good Hope, Solihull Hospital – and in the community.

We focus on raising money where it is needed most – in areas not covered or fully supported by NHS funds. It could be anything, from some new artwork in the children's wards, to a piece of state-of-the-art machinery. Since our beginnings in 1996, everything we do is for the sole benefit of our patients and the fantastic work of our medical staff in this past year has been no different.

It has been a busy 12 months fundraising-wise – a year in which we saw inspirational members of the local community and local organisations stepping up and generously supporting their local hospital.

At Good Hope, the Hardwick Arms has been particularly active providing the Maternity Unit with £16,000 over the course of just 12 months through events and fundraising nights. The money has gone towards specialist equipment in the Special Care Baby Unit and to improve facilities in the Bereavement Suite at the hospital. The Good Hope League of Friends entered a new era with new members and new vision. We look forward to their ongoing support in the coming months.

The Friends of Solihull Hospital continued their amazing work in what was the 60th anniversary of their formation. An incredible £226,000 has been raised for the hospital to benefit a wide range of departments and countless patients. We are incredibly grateful for their ongoing work helping the hospital continue providing top quality care.

At Heartlands it was great to see us forge even closer links with Birmingham City Football Club. A match-day collection and awareness day at the ground raised £1,000 for the Children's Unit and over Christmas, the children were treated to a surprise visit from the players. Premature babies in the Neonatal Unit benefited from brand new lifesaving equipment thanks to children's charity MedEquip4Kids. The Manchester-based charity donated two apnoea monitors, used to monitor the breathing of vulnerable babies and a heated mattress, which is used to keep a baby warm when it is first transferred from an incubator into a cot.

The charity's official newsletter, Charity Chat, is published quarterly and distributed to both staff and our fundraising supporters in the wider community. The magazine features fundraising news, events and photos from across our hospitals and is a way of keeping in touch with our supporters and saying thank you for all of their efforts.

The coming year will no doubt again be challenging as the charity continues in its efforts to provide the Trust's patients with the additional benefits that the NHS does not fund. However, the recruitment of a community fundraiser has already demonstrated that there is a will from our local population to be involved in raising funds to improve services and the charity will continue to share their stories through the local media and its own magazine. This year fundraising will focus on developing larger scale local appeals to capitalise on the support it already has as well as exploring new ways to raise much-needed funds.

To find out more visit
www.heartofenglandcharity.org.uk

Case Studies

Vera Holley

Ward 5 at Good Hope benefited from the donation of a piece of life-saving equipment. Pulse oximetry is a non-invasive method allowing the monitoring of the saturation of a patient's haemoglobin. The equipment was provided through hospital fundraising stalwart, Vera Holley.



G4S

Staff from G4S have been hard at work all year holding bric-a-brac stalls, tombolas and raffles to raise over £4,000 for the Children's Unit at Heartlands.

Stephen Inman

Dedicated dad, Stephen Inman, laced up his running shoes to complete 13 half marathons in a year to raise money for Good Hope Special Care Baby Unit.



Friends of Solihull

Friends of Solihull Hospital volunteers Pat and Malcolm Rose were honoured in the Queen's Birthday Honours, each receiving a British Empire Medal (BEM) for charitable services to patients at Solihull Hospital over 40 years. The couple have been tirelessly fundraising for patients, raising thousands of pounds.

Patient Experience & External Affairs

Patient Experience & External Affairs comprises the Patient Services and Engagement team, Communications team, Complaints, Corporate Governance, Volunteers and Fundraising and the Medical Illustration team.

Communications

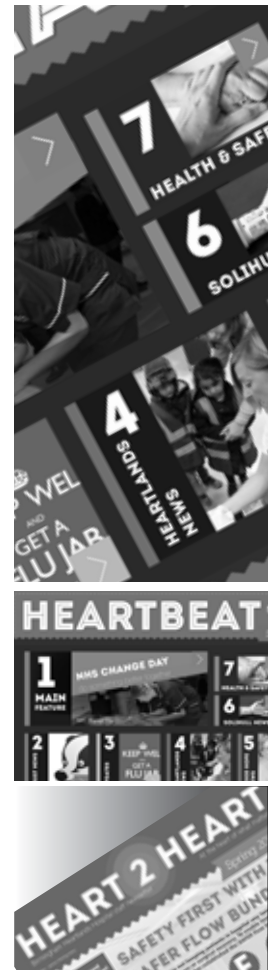
The team has had a busy year with managing pro-active media campaigns alongside reactive media relations.

Social media has continued to dominate as a key priority. In the last 12 months, followers of the Trust's Twitter account @heartofengland have increased by over 66 percent to more than 4,100 followers. The team has also strengthened our presence on LinkedIn and we are continuing to develop the HEFT Blog at www.heartofenglandfblog.co.uk.

The team generated 1,172 positive pieces of media coverage during the last 12 months, which averages 98 pieces per month and is 575 more than the closest competitor trusts. Media coverage highlights included: ITV News, BBC News and BBC Radio 5Live interviewing Dr. Ron Daniels about sepsis in September 2013; BBC One's The One Show broadcasting live from Heartlands Hospital in May 2013 focusing on A&E waiting times; students from Good Hope participating in ITV1's series 'Student Nurses: Bedpans and Bandages' in February/March 2014; and Sky News interviewing matrons from Good Hope for a feature on 'A matter of life and death' in January 2014. We also arranged for the Elderly Care Department at Heartlands, alongside West Midlands based agencies, to work with the BBC in making a documentary series called 'Protecting our Parents' following the health and social care of frail and elderly people in the hospital and the surrounding community.

The Trust's new website launched in the spring of 2013 and the team continues to build on the initial positive feedback by updating and improving the content and accessibility of the site.

Looking forward into 2014/15, the team will be focusing on the implementation of the communications strategy in line with and in support of the organisation's overarching corporate strategy.





Fundraising

The Fundraising Department has helped raise significant additional funds to provide benefits to patients and support staff. The Fundraising team has helped run various events throughout the year, provided charitable advice and support to hundreds of local fundraisers and worked with various external funders to secure grant income. To find out more about the Trust Charity, please see p.66 of this report.



Medical Illustration

Comprising graphic design, web and App development, video production and photography, the team has had a productive year. Key highlights include: receiving a bronze and silver award from the National Institute of Medical Illustrators for their work on the 'HIV testing saves lives' campaign and 'Wash Away MRSA'; the creation of 10 health Apps and the re-launch of the Trust's website in a new format suitable for all mobile devices in December 2013. This has doubled the number of hits to more than 50,000 per month.



Another key highlight for the team was the build and launch of an emergency medicine support website www.heftemcast.co.uk at the beginning of 2014. This has been designed for all clinical staff working in this area and has received both national and international interest.



Volunteers

After previous years of significant growth in the number of volunteers, the service this year has focused on embedding itself across the Trust. Solihull for the first time has volunteers on every ward and continues to draw more volunteers from its community.

As well as the traditional hospital volunteers there have been many more roles introduced across the Trust. At Good Hope we have a group of volunteers that have received specialist training in dementia care and work across the hospital supporting staff by providing patients with social interaction. Following the success of this pilot we hope to widen this to all our hospitals. At Heartlands, new mums have been recruited as volunteers to share their experiences of breast feeding and to provide support to other mums and increase the take-up of breast feeding.

Improvements in the training and retention of volunteers has delivered a sustainable service in which staff can have trust and confidence to help improve our patients' experience of the care they receive. Our volunteers have delivered almost 100,000 hours in the past year and continue to be an asset to the Trust.

We would like to put on record our thanks to all of our volunteers who give up their time willingly to help both our patients and our staff.

Feedback & Complaints

The Trust is committed to establishing a culture in which patient experience is seen as the responsibility of all hospital staff, and patient experience is an integral part of the Trust's governance arrangements. Our Patient Services Department combines the Patient Advice and Liaison Services (PALS) and Complaints functions, and we have a proactive Membership and Community Engagement Department working with over 100,000 members running a regular series of outreach seminars for local and diverse communities.

During the last 12 months there has been an increase in both formal and informal complaints received by the Trust due to the continued promotion of the range of ways people can contact us. This has provided more open access and support to enable patients, relatives and carers to raise issues via online avenues such as Twitter, patient opinion as well as through a smartphone App.

We have implemented a centralised approach to complaints for the Solihull site to include Community Services, which enables the team to better and more pro-actively manage complaints. Consequently we are running a further pilot for General Surgery at Birmingham Heartlands as of March 2014.

The Patient Services team has a challenging year ahead with the planned implementation of centralised complaints across the organisation; however we believe that this is the way forward as we will be able to identify themes and trends across the Trust with the impetus of 'getting it right first time'.

We are also reviewing our approach to how we ask for feedback from patients relatives and carers whilst they are staying with us, in terms of what we ask and how we ask it. This will also affect how we conduct the Family and Friends Test described on the following page. There is also work ahead for us in how we interpret large amounts of data and transform it into something which is meaningful to front-line staff. By doing this, it will make it easier for us to understand and make the improvements we are asked to make by the people we serve.

The Friends & Family Test

The Friends and Family Test (FFT) is a national standard practiced by all acute hospitals in the country. The test can be a very sensitive indicator at either a ward, site or overall trust level as to rates of satisfaction. Patients are able to give their feedback via feedback card, phone or text. Whilst our response rates for 2013/14 fell narrowly short of the requirements stipulated, we did receive a large amount of representative feedback through the FFT, over 41,000 participated during 2013/14 across inpatient areas and the Emergency Department, a further 3,700 participated from October in Maternity Services.

The survey team produce a report each month which will detail each area's score, response rate and qualitative feedback. Our FFT results, showing how in very broad terms patients have rated our care and treatment over the last year are given below.

Trust-wide - inpatient and emergency department combined													
	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	YTD
	0	0	0	0	0								
Total Number of people eligible to respond	11785	11783	11508	13248	12852	12258	12020	11423	11613	11416	10781	12704	143391
Total Responses	293	84	1002	1112	1046	886	843	975	1060	1072	905	1076	10354
	117	14	413	562	503	526	428	506	506	521	509	592	5197
	18	1	104	114	97	111	106	107	108	126	122	110	1124
	6	3	84	132	101	121	99	118	118	119	106	147	1154
	8	3	132	231	177	205	185	210	187	181	221	286	2026
	6	2	17	22	16	58	38	97	77	117	98	126	674
% Responses	3.80%	0.91%	15.22%	16.40%	15.09%	15.56%	14.13%	17.62%	17.70%	18.71%	18.19%	18.40%	14.32%
FFT Score	59	73	39	30	35	24	27	28	33	32	24	24	30

Information Communication Technology (ICT)

During 2013/14 the ICT Directorate has ensured the new, multi-million pound SAN (Storage Area Network), commissioned in the previous financial year, is fully embedded within the Trust.

A SAN stores different types of data and provides its capacity to all sorts of servers. An organisation relies on electronic data for a large proportion of its activities and, as it is constantly increasing in volume and must be secured with backups, the SAN plays a vital role in enhancing the resilience of Trust services and supporting our disaster recovery and business continuity planning.

We have completed further work to improve ICT infrastructure across all Trust sites to optimise the efficiency of our business processes and make them more flexible and resilient. This work includes:

- A software and hardware refresh for the Trust's Server Visualisation Platform, which provides the foundation for 70 percent of the Trust's servers;
- Completion of year two of a programme to enhance the capacity and coverage of the Trust's WiFi system;
- Implementation of Citrix cloud technology to improve external access to Trust systems by Trust staff;
- Upgrading the operating system on clinical devices across the sites, a process that will continue in the coming year and extend to all legacy desktop devices;
- Procurement of replacements for network components that are reaching the end of their useful lives, to ensure the Trust can prepare effectively for anticipated future demand; and
- Procurement of a new telephone system, to replace the ageing system currently in operation.

Ongoing investment in ICT infrastructure and skills has supported the Trust's work to boost efficiency and improve patient experience. In the last year, the technology we support has enabled:



2.9 million voice calls to the switchboard



3.7 million outgoing voice calls



7 million external emails

Our support desk staff have:

- Logged 59,712 incidents/calls, 24,257 of which were addressed directly by the team (an 11.5 percent increase on the year before); and
- Resolved 79 percent of these within one hour.

Under the umbrella of the Clinical ICT Committee we have upgraded 65 percent of clinical mobile devices on the wards at all the sites, and the remainder will be completed in the coming months. By the financial year end we will have introduced nearly 300 extra mobile devices to wards and operating areas, supported by roadshows to help clinical end users select the most appropriate device for their applications.

Building on work started in 2010, we are continuing to progress the delivery of Pathway Management System (PMS) 2, which will give staff an integrated workflow solution to link inpatient and outpatient records and help with monitoring treatment interventions and outcomes. PMS 2 will be fully implemented by mid 2014.

Other key ICT-supported innovations include:

- e-JONAH electronic whiteboards at all three hospital sites to support efficient management of patient flow and support capacity planning;
- An enhanced Transfer of Care system at Good Hope Hospital, which will shortly be rolled out to Heartlands and Solihull;
- A new theatre management information system introduced at all sites, and which will shortly be further supported by the introduction of electronic operating notes;
- SystmOne - Implementation of electronic children's safeguarding node. At the beginning of 2013 the ICT Business Delivery team, in conjunction with the Community Services Children's Safeguarding team, implemented the electronic sharing and alerting of the children's safeguarding node across Solihull Community Services and GPs. This joint approach enables clinicians and health professionals to record and share information using SystmOne for children where health professionals have concerns for a child, or where they are on a formal plan, to reduce risk to the child;
- SystmOne e-Learning. Over the past year, work has been undertaken by the Business Delivery team to streamline SystmOne user training, and this has led to the development of e-Learning packages for the different modules of SystmOne. Further work continues to add more e-Learning modules; and
- Mobile working. Work is continuing with Community Services in rolling out mobile working to make sure clinicians have access to a patient's community health record when delivering care. Successful pilots with the Macmillan team have demonstrated the usefulness of mobile working and having patient information available when making decisions about the type of care to deliver to the patient.

We have managed to capture 220 million scanned images with over 1 million case notes having now been digitised.

The ICT Directorate is committed to playing its part in preparing the Trust for the large challenges that lie ahead. We have been doing advance work with partner NHS organisations on development of the Central Care Record, which is intended to give professionals working in GP, hospital, mental health and community services a centralised information source to help them identify patients and their individual health needs accurately and safely. We have developed a 'Proof of Concept' with BT so that we are able to act once we receive news of the governance arrangements relating to access to, and sharing of, patient records.

Estates

Asset Management, Estates & the Programme Management Office

Asset Management

Our key priorities are to continue to maintain and improve the quality and standards of the services we provide, whilst becoming more efficient especially with regard to front-line services such as cleaning, portering and security.

Key Achievements

- Providing more accurate information to patients and visitors on how they can access discounted car parking and concessions;
 - Gaining and implementing changes as a result of in-depth feedback from patient questionnaires, especially with regard to patient catering and menu choice;
 - Supporting our staff with regard to training and development which in turn enables them to provide the best service possible; and
 - Launching the new patient menu across the Trust with over 40 new dishes for April 2014.
-

Looking Forward to 2014/15

- Recycling is to be launched across wards and departments which will assist the Trust in meeting its obligation with regard to improving the environment;
- Improvements to visitor car parking capacity; and
- Planned investment in replacement catering and cleaning equipment across the sites.

Estates

The Estates Department at the Trust comprises a multi-disciplinary team including:

- Estates Operational;
- Estates Development;
- Medical Engineering;
- Quality & Information (department within Asset Management);
- Fire Prevention;
- Energy Management; and
- Health & Safety (department within Asset Management).

Priorities & Challenges

- Each team plays an important role in providing a good quality and safe environment for the Trust to deliver its services to patients and for staff working within the Trust.
- The department continually monitors its performance, ensuring changes are made to maintain a good quality and safe environment and react to the demands placed upon the Trust.

Improvements in Service Provision

The department has successfully achieved across all disciplines Quality Standard ISO9001 and at Solihull Environmental Standard ISO14001. Both these systems support, monitor and ensure continual development of all services that the department delivers to all wards and departments within the Trust and surrounding community.

Looking Forward to 2014/15

- To develop strategies and implement change to support the clinical environments and provide environments conducive for healthcare, including Phase II of the Trust's Energy Sustainability and Carbon Footprint programme.
- Investment in staff development and competency building.

Key Achievements for the Year

- Refurbishment of the A&E department at Good Hope Hospital;
- Completion of the £2.24m replacement generator scheme at Solihull Hospital;
- Completion of phase 1 of the Trust's Energy Sustainability and Carbon Footprint Programme, including installation of photovoltaic panels, which will enable the Solihull Hospital site to be independent of the main electrical supply grid during summer months;
- Successful outcome to the Health and Safety Executive visit in respect of Legionella management; and
- Creation of local health and safety groups.

Programme Management Office

Process Design Team

The Process Design Team (PDT) engages with clinical and operational teams to apply professional project or programme management frameworks to capital and non capital improvement projects.

The PDT supports clinical teams in reviewing their services and historical practice with the aim of re-designing and improving the services offered. Over the last year the PDT has been heavily involved in writing architectural design briefs with directorates such as dermatology, oncology, rheumatology, endoscopy and the women's and children's and neonatal areas. The team has enabled clinical teams to step back from day-to-day pressures, and helped them to review and redesign their systems and processes. This work enables best possible architectural designs for their new-build and refurbishment works.

Capital Development

The Capital Development arm of the Programme Management Office continues to deliver significant benefits to patients and staff through the delivery of the Trust's investment programme to improve the environment, quality, safety, efficiency and sustainability of the Trust's estate.

Following the refurbishment of the A&E Department at Good Hope and the delivery of a major service modernisation extension to the Trust's central Pathology Laboratory building, the team has more recently successfully delivered a new Day Surgery Unit at Good Hope and a multi-storey car park to serve Heartlands staff.

Schemes under consideration include new facilities for dermatology, oncology and rheumatology; a state-of-the-art hybrid theatre, a new endoscopy unit and an expansion to maternity; along with the provision of further car parking capacity.



Panasonic

NHS

HEART OF ENGLAND
1887 FOUNDATION TRUST

STAFF NURSE





Sustainability & Carbon Plan

Context

The Climate Change Act (CCA) was introduced to ensure the UK cuts its carbon emissions by 80 percent by 2050 against a 1990 baseline. As the largest public sector emitter of carbon emissions, the NHS and the wider healthcare system has a duty to meet the CCA. The Trust aims to manage the social and environmental impact of its operations by embarking upon a strategy that will continue to reduce emissions through implementing a number of carbon-saving measures.

Introduction

In 2008/09, the Trust was set a target of a 25 percent reduction in CO₂e emissions by 2013/14, with a further reduction of 20 percent by 2018/19.

The Trust has now achieved a reduction of 22 percent against the baseline, despite increases in energy requirements due to infrastructure. This has been achieved through the implementation of Combined Heat and Power (CHP) Schemes across the three main sites. Utilising the Carbon Energy Fund and its Energy Sustainability Framework with Department of Health grant funding has enabled side initiatives to also be instigated.

2007/08 was the Carbon Management Plan 'baseline' year against which all future progress is measured. Since 2007 the Trust has invested in a number of high value carbon-saving projects, these include:

- Trigeneration Combined Heat and Power (CHP) scheme at Heartlands Hospital;
- Decentralised Combined Heat and Power (CHP) scheme at Solihull Hospital;
- Combined Heat and Power (CHP) scheme at Good Hope Hospital;
- Replacement high efficiency lighting scheme at both Solihull and Heartlands Hospitals;
- PC inactivity shutdown software across the Trust; and
- Energy Sustainability Project – Phase 1. Future plans include Energy Sustainability Project (Phase 2) to all three sites.

Historical Performance & Future Progress

Progress in reducing our CO emissions against target are shown in table 2:

Energy consumption and carbon emissions are monitored on a regular basis. This enables us to focus on both financial savings and carbon emissions performance.

	No Action Taken Emissions CO ₂ e (tonne)	Actual Emissions CO ₂ e (tonne)	Saved CO ₂ e (tonne)
2007/08	44,892	44,892	0
2008/09	41,449	35,065	6,384
2009/10	41,582	34,593	6,989
2010/11	44,180	36,771	7,409
2011/12	42,952	35,598	7,354
2012/13	46,396	37,777	8,619

Actual

The increased emissions for 2012/13 are due largely to lower than expected winter temperatures, degree days for 2011/12 were 3,026 compared to 3,611 for 2012/13 a 19% increase. Further increased emissions were caused by greater demand for electrical equipment. The warmer winter temperatures and the impact from the Sustainability Development Programme have contributed to a decrease in 2013/14.

For the period 2008/09 to 2013/14, there has been an overall saving of 51,569 tCO₂e.

The carbon reduction and sustainability priorities for 2014/15 are to:

- Complete and prove Energy Suitability project Phase 1;
- Progress Energy Suitability project Phase 2;
- Appoint a dedicated energy manager;
- Engage with patients, visitors, staff and the local community to improve energy, water and waste awareness and to avoid unnecessary waste of finite resources;
- Improve recycling to further reduce the environmental impact of Trust operations; and
- Following the successful implementation of ISO 14001 Environmental Management at Solihull Hospital to extend the scheme to Heartlands and Good Hope Hospitals.

Environmental Initiatives

The Trust has always prioritised energy and cost reduction starting with the introduction of Combined Heat and Power or CHP (providing low cost and low carbon electricity and heat) plants at Heartlands and Solihull and now at Good Hope Hospital. With this technology the Trust has been able to optimise its energy supply and has more recently focused on reducing demands on heat and electricity within the hospital buildings.

This solution has been so successful that the Trust was awarded a grant of £2.8m from the Department of Health, making the payback less than three years. The project has also been short-listed for the prestigious Building Awards Sustainable Project of the Year 2014. Finally the Trust is also about to commence phase 2 which will deliver a further £220k per annum.

The table following sets out the energy, carbon and cost savings and simple payback for the Energy Sustainability Project Phase 1 which was completed in March 2014.

Initiative	Energy Saving kWh	Carbon Saving CO ₂	Cost Saving £	Capital Cost £	Payback in Years
Lighting	3,182,257	1,725	312,510	1,741,128	5.6
Pipework insulation	2,814,294	517	80,647	82,663	1
Variable speed drives	1,246,901	676	122,451	404,843	3.3
Refrigeration controls	460,621	250	45,235	112,442	2.5
Energy display meters	85,736	46	8,420	26,435	3.1
Solar PV	473,763	258	96,937	783,020	7.0
Pump replacement	354,675	122	33,328	162,484	4.9
Total	8,618,247	3,594	699,528	3,313,015	4.7

The Trust has a legal requirement to participate in both the European Union Emissions Trading Scheme (EU ETS) and the Carbon Reduction Commitment (CRC) Energy Efficiency Scheme. The cost of these two schemes for EU ETS for 2013 and the CRC scheme for 2011-12 were £70k and £288k respectively. Further energy savings will have a positive impact on these schemes.

Key Areas of Focus for 2013/14

The Trust has now established an Energy Sustainability Framework with two suppliers and has completed the first phase of installation work. 2014/15 will be the first guaranteed year of savings, achieving a saving of around £631k per annum.

Areas of work we are focusing on include lighting upgrades which will be low energy and controllable; pipe work insulation to reduce heat loss; variable speed drives which control the speed of fans and pumps; energy display meters showing usage to staff and patients; and solar photovoltaics which generate green energy from the sun will also be implemented.

The Trust is also aiming to embark on phase two of the energy sustainability project which is expected to save the Trust a further circa £260k per annum. This project includes initiatives such as super low loss transformers which are more efficient transformers reducing electricity waste; plant room insulation which reduces heat loss from pipes; solar PV which generates green electricity from the sun; boiler banking which reduces gas usage by boilers; PC shutdown to help reduce electricity usage; PIR on vending machines which reduces electricity usage by putting them into standby modes when no-one is using them; chiller upgrades to reduce electricity usage by improving chiller efficiency; and retrofit lighting to improve the efficiency of lights to reduce electricity usage.

We also plan to closely manage and monitor the three CHP schemes across the three hospital sites ensuring the energy contracts are thoroughly maintained. The guaranteed savings of the two completed schemes are worth £722k per annum.

The Trust is legally required to participate in both the EUETS and CRC Energy Efficiency Schemes. The Energy Manager (to be appointed in 2014) will ensure the Trust remains legally compliant and operates these schemes to the maximum efficiency in order to minimise the operating costs. Procurement of energy is key to reducing energy costs across the Trust. The Energy Manager will be obliged to ensure the Trust procures energy in the most effective and efficient manner.

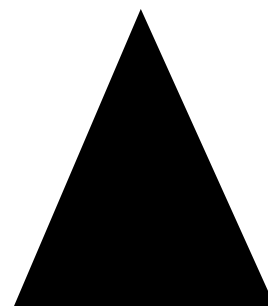


Finance Review

In 2013/14 the Trust has reported a deficit of £5.4m after an impairment charge of £4.8m to the Statement of Comprehensive Income (SOI) arising from a revaluation of the Trust's new buildings in the year.

The £0.6m loss before impairment reflects the challenging financial environment the NHS is operating in, with rising activity and increasingly complex patient needs alongside a falling payment by results tariff. The Trust had planned for a £6m surplus but higher than anticipated staffing costs driven by higher activity and initiatives to improve patient flow through the hospital sites, slow delivery on some efficiency programmes and additional costs incurred relating to the Kennedy Review have turned this into a small loss.

The Trust prepares its accounts in accordance with International Financial Reporting Standards (IFRS) and International Finance Reporting Interpretations Committee (IFRIC) interpretations as endorsed by the European Union applicable at 31 March 2014 and appropriate to NHS Foundations Trusts. Whilst there have been no significant amendments to the accounting standards in 2013/14, HM Treasury has removed the exception for consolidating the results of the charitable trusts associated with foundations trusts. This change means that the results of the 2012/13 financial year have been restated to include this consolidation of the Heart of England NHS Foundation Trust Charity (The Charity) to produce group accounts. The group accounts for 2013/14 report a deficit of £6.0m.



“This means more resource can be focused on delivering improved pathways and increased integration.”

Income

There was a marginal (one percent) growth in the Group's total income to £635.9m. The Health and Social Care Act 2012 requires that the Trust's principal activity is to deliver goods and services for the purposes of the National Health Service in England. The revenue generated from NHS clinical activity is £559.6m, of which only £0.9m is derived in NHS Wales, Scotland and Northern Ireland. Therefore revenue from NHS in England at 88 percent of total income is significantly ahead of the minimum 50 percent requirement. The majority of this income comes from the second year of a jointly managed risk agreement (JMRA) negotiated with the local CGS. This is part of an ongoing plan to work more collaboratively with the CCGs and other parts of the health economy which gives greater financial security for the year to the organisations involved. This means longer-term plans are developed to focus resources on delivering improved patient services and increased integration.

There are a number of other income sources to the Trust. The Education and Training income (£22.1m) supports the costs of training doctors, nurses and other healthcare professionals and in doing so supports the quality of care provided at the Trust. The Research and Development income (£4.1m) is a combination of Department of Health income and grants and income from commercial establishments and research institutions that contributes to the improvement of healthcare both in the Trust and in the wider healthcare environment. The remainder of the Trust's income sources are not directly linked to patient care and include items such as catering, accommodation revenues and for services provided to other third parties.

Expenditure

The Group's total operating expenses in the year were £636.8m, including a £4.8m charge for impairment. Following the large revaluation exercise in 2013/14, the Trust has commissioned the Trust valuers, GVA, to revalue properties relating to seven large capital expenditure schemes including the new car park and the energy sustainability scheme using the Modern Equivalent Asset Valuation basis. This is in line with the Trust's accounting policies and accounting standards and was agreed through Audit Committee in advance of the work being completed. The net decrease was £5.2m made up of an increase of £0.6m on one asset offset by a decrease of £5.8m on the others. As well as the impairment charge to the SOCI there is a £0.4m net charge to the revaluation reserve. As these are non-cash transactions, they have no bearing on the Trust's financial viability and Monitor excludes these items from consideration of the Trust's financial performance.

To achieve the targeted surplus, the Trust was required to deliver £24m of cash-releasing efficiency savings to be made in the year. A detailed programme of schemes across all divisions has been monitored throughout the year with reports to the Cost Improvement Plan (CIP) Board, Finance and Performance Committee and Operations Board. The programme is a combination of schemes identified by divisional and Trust-wide initiatives and delivered 73 percent of the required savings in year. At the end of 2012, the Trust ran a MARS (Mutually Accepted Resignation Scheme) to reduce future staff costs which delivered an annual saving in excess of one million pounds and in March 2014 another MARS has been launched with a similar level of savings expected.

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

Statement of Financial Position

The Trust has continued to invest its cash balances into the estates and facilities at the Trust. In the 2013/14 year, the Trust incurred £28.4m of capital expenditure including £10.8m on site strategy projects, £4.5m on IT infrastructure, £5.4m on equipment in clinical areas and £6.9m on estates improvements. Assets with a value of £0.7m were transferred into the Trust from Solihull CCG as part of the completion of the community asset transfer programme from three years ago.

The Group continues to have a healthy cash balance at £87.9m at 31 March 2014. These cash balances are being held to fund the Trust's future capital programme which is expected to be £50m over the next two years. Due to changes in PDC calculation methodology issued by the Department of Health this year, this cash is no longer placed with commercial banks. The Trust does not have a working capital facility.

The Trust complies with the Better Payment Practice Code which requires the payment of undisputed invoices by the due date or within 30 days of receipt of goods or services or a valid invoice, whichever is later for 95 percent of all invoices (by value) received by the Trust. The Trust's standard payment terms are 30 days after receipt of a valid invoice and it has paid more than 95 percent of its invoices within this target date every month with a full year performance of 97 percent.

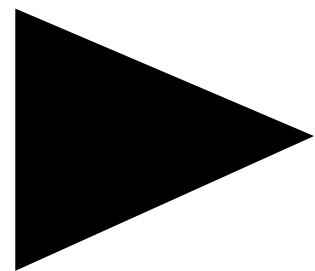
Charity Consolidation

In the 2013/14 year HM Treasury has removed the exception for consolidating charities associated with foundation trusts. Therefore in the 2013/14 year the Trust has consolidated the results of The Heart of England NHS Foundation Trust Charity ('the Charity') and the results of the 2012/13 year have also been retrospectively reported in the comparative year.

The Charity has an income of £1.6m and expenditure of £2.3m for 2013/14 and has generated a loss of £0.7m before gains on investments of £0.4m, reporting a total loss of £0.3m. The details of the charity can be found on p.66, the application of the accounting policy is in note 1.2 of the financial statements and the details of the charity's financial results are in note 2.1-2.3 of the Financial Statements.

Future

The Trust has been developing its financial planning models in line with Monitor's requirements to produce five year financial forecasts. These models predict a small level of income growth, as activity increases are offset by tariff deflator, and require a saving of £24m per year to generate a small surplus each year. Savings of this level are a significant challenge for the Trust and project teams have been set up to develop detailed plans to implement the efficiency ideas and track where progress is not delivering to plan.



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 they continue to adopt the going concern basis in preparing the accounts.



Mark Newbold

Mark Newbold
Chief Executive
27 May 2014



Quality Account & Report

Contents

88 Introduction

89 Part 1: Chief Executive's Statement on Quality

90 Part 2: Priorities for Improvement

Statements of Assurance:

Service Income

Clinical Audit

Research

Commissioning for Quality and Innovation (CQUINs)

Care Quality Commission (CQC)

Data Quality

Information Governance Toolkit

Clinical Coding Error Rate

154 Part 3: Other Information

Patient Safety
Indicators:

Cumulative Balance
Medication Safety
Infection Control

Clinical
Effectiveness
Indicators:

Incident Reporting
Never Events
Morbidity and Mortality

Patient
Experience:

Friends and Family Test (Net Recommender
Index)
Inpatient Survey
Complaints

190 Part 4: Statements from Stakeholders

Introduction

The purpose of this Quality Account & Report 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') over the last 12 months.

The Quality Account & Report represents one aspect of the continued drive to improve the quality and safety of the services which are provided.

In Part 1, there is a statement of the quality of services from Chief Executive, Mark Newbold. In this section an update is provided on the priorities that were set by the Trust for 2013/2014.

In Part 2, details are included of the priorities set for the coming year, how these priorities have been developed with stakeholders and what this will mean for the quality of services that patients receive.

In addition, 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 NHS England and Monitor (the regulator for NHS foundation trusts). All providers are required to provide these statements allowing for comparison between different organisations.

Part 3 contains further information which will provide a picture of some of the other initiatives that have been implemented in the Trust to improve quality.

The final section of this document provides 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 & Report 2013/2014. If you would like to comment on any aspect of this document, details are provided at the end of the document.

Part 1 :

Chief Executive's Statement

Providing safe, quality care is our top priority at Heart of England NHS Foundation Trust. We are one of the busiest NHS trusts in the country, serving a population of over 1 million, seeing over 250,000 adults and children in our emergency departments every year, and providing a huge range of both general and specialist services from our three hospital sites and a range of community settings.

This Quality Account & Report provides you with a true and accurate reflection of our performance over the past year and is accurate to the best of my knowledge. We are always open about the challenges we face and we will continue to work hard at raising standards whilst maintaining our core values of 'safe and caring'.

By embracing a patient-centred approach, we have diligently focused on our emergency care challenges this year and successfully undertook the 'Breaking the Cycle' initiative in December 2013. This resulted in significant improvements for our emergency patients. We are by no means complacent and we know the actions detailed in our Monitor undertaking will enable us to continue to improve our emergency pathways and discharge arrangements.

Under the CQC's new regime of the Chief Inspector of Hospitals, we were rated overall as 'Requires Improvement' although we were pleased that many areas were rated 'Good'. Following a re-inspection, Good Hope Hospital emergency areas showed substantial improvements and our 'inadequate' rating was amended accordingly. We were pleased to be commended by the inspection team for the caring and compassionate approach of our staff and for the open and transparent way in which this Trust operates.

We planned to fail the 18 weeks admitted target in quarter 4 in order to reduce the number of patients waiting for the longest times. Work is ongoing to complete this and achieve the target performance in 2014/15.

This year we have invested in developing our clinical research base – this is an essential part of improving patient care, through recruitment to clinical trials. We are excited to have appointed a professor of public health to guide our work in improving population health within the communities we serve. We continue to invest in services across the Trust, with a new emergency department and two operating theatres for Good Hope opening last year, along with the new laboratory medicine building at Heartlands.

We are proud of our nursing initiatives which have directly contributed to a steady reduction in the incidents of hospital acquired pressure ulcers. We have also piloted a falls bundle which has resulted in a reduction in falls in those areas and are now rapidly sharing this practice across our hospital sites.

In the coming year, we are keen to establish some of the principles described in the recent Future Hospitals Commission Report and to build on our innovative work to create care options for our patients that are outside of the acute ward environment. These are successfully reducing the length of time patients spend in our wards and as a consequence, supporting shorter recovery times. We will continue to work together with other organisations to ensure our patients are cared for and treated in the right way appropriate for their individual needs, which may not necessarily mean them being hospitalised. We will continue to focus on maintaining and improving quality of care and demonstrating strong clinical performance as we move forward.

Following the publication of the Kennedy Review in December 2013, we are implementing ten improvement programmes that pick up the learning from the Review. These are forward-looking and will result in many inpatient improvements across the Trust.

I would like to thank our staff, volunteers and partners across the health community for all of their outstanding work and support through what has been a demanding, yet rewarding year.



Dr Mark Newbold
Chief Executive

Part 2:

Looking Forward - Priorities for Quality Improvement 2013/14

Quality Accounts are annual reports to the public regarding the quality of healthcare services that the Trust provides. They are both retrospective and forward-looking.

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.

The Trust had chosen to continue focusing on the four priorities from the Quality Account & Report of 2012/13 (priorities 1 to 4) along with a further three priorities for the year 2013/14 (priorities 5 to 7).

The priorities are:

Priority 1:

Fundamentals of Care

This priority is based on the National Care Campaign and specifically looks at: pain management; communications; privacy and dignity, and nutrition. Performance is being measured through Trust-wide developed scorecards and monitored at the Nursing Performance Committee.

Priority 2:

Falls

Performance is measured through a Trust-wide developed scorecard which includes nursing metrics regarding assessments, falls per occupied bed days, which wards have the highest number of falls, amongst other indicators. The scorecard is monitored at the Nursing Performance Committee.

Priority 3:

Pressure Ulcers

Performance is also measured through a Trust-wide developed scorecard which includes nursing metrics regarding assessments, tissue viability audits, as well as incident numbers. The scorecard is monitored at the Nursing Performance Committee.

Priority 4: Fractured Neck of Femur

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 continue to improve its performance.

This priority is measured through the NHFD and is discussed at the Clinical Quality Performance Group. The performance is also monitored using key performance indicators reported to the Trust Finance Performance Committee.

Priority 5: Improving Clinical Outcomes for Stroke

This priority aims to improve clinical outcomes for patients suffering a stroke. The four priorities specifically identified from the stroke pathway include:

- Number of acute stroke patients thrombolysed;
- Direct admission to stroke unit within 4 hours with a swallow assessment;
- The percentage of acute stroke patients who have received a swallow screen within 4 hours of arrival; and
- 90% of stay spent in a stroke unit.

This priority is measured through a combination of stroke key performance indicators including contract targets and best practice tariff (see p.113 - 118) and monitored through the Clinical Quality Performance Group.

Priority 6: Improving Dementia Care

This priority aims to standardise the approach for dementia patients and hence lead to improvements in the care given.

This priority is measured through collection of internal figures through Trust systems and are discussed at the Clinical Quality Performance Group. The performance is also monitored using key performance indicators reported to the Trust Finance Performance Committee.

Priority 7: Improving Discharge Arrangements

This priority aims to improve the discharge process for patients and is measured through a Commissioning for Quality and Innovation payment framework (CQUIN). The CQUIN is discussed at Finance Performance Committee.

Part 2:

Looking Back – Progress against 2013/14 Priorities for Quality Improvement

Priority 1: Fundamentals of Care

What is the measure:

This priority looks at the fundamentals of care for patients to improve patient experience. It is based on the National Care Campaign and looks at pain management; communications; privacy and dignity; and nutrition.

How is this priority measured:

This priority and its core four areas are measured via the nursing metrics and monitored via a Trust-wide developed scorecard.

This is an important part of the nursing metrics which are measured by peer review. The information gathered from the nursing metrics is presented at the Nursing Performance Committee on a monthly basis and is monitored via exception reports.

This data forms part of the nursing report which is presented and discussed at Trust Board.

What have we done to improve:

Communication

Effective communication is an essential part of patient and carer involvement within the Trust. Knowing who is caring for you and who to speak to for information and care planning is key to building trust and understanding.

- All Trust staff wear a Trust identification badge with their name and job role displayed;
- All hospital based nursing uniforms are colour coded (light blue / navy blue / purple) and embroidered with the Trust's logo and associated nursing role, e.g. Head Nurse/ Senior Sister/ Sister/ Staff Nurse/ Healthcare Assistant;
- The Trust is supporting the "Hello My Name Is" campaign. This campaign reminds staff to introduce themselves to patients properly as a confident introduction is the first step to providing compassionate care and is often all it takes to put patients at ease and make them feel relaxed whilst using our services;
- Good Hope Hospital site is publicising the Chief Nursing Officer for England 6Cs campaign. The national campaign focuses on 6Cs: Compassion, Care, Courage, Competence, Commitment and Communication. The current focus at Good Hope is on communication;
- Feedback from patients and carers through the nursing metrics and Friends and Family Test is displayed on each ward;
- The Trust has invested in friends and family feedback stations for all wards to encourage real time feedback about the care being delivered;
- The Trust is working in collaboration with the National Council for Palliative Care and the Dying Matters Coalition on a three year compassionate care project. The compassionate carers' project focuses on difficult conversations that nurses may have with patients and carers around life changing conditions and end of life care and preparation. A bespoke training package has been created to train and support nurses to provide compassionate and effective communication with patients and carers;
- The Trust, in collaboration with the National Council for Palliative Care, has created a staff and carer information DVD entitled 'I didn't Know That' about end of life requirements from the Muslim perspective. It highlights cultural requirements at end of life and also medical and legal requirements; and
- The introduction of Jonah boards has provided individualised care plans for all patients at the Trust. Discharge planning commences on admission to the Trust and this is routinely discussed with patients, their relatives and the multi-disciplinary team.

Privacy and dignity

Dignity care rounds have been introduced where head nurses undertake visits to wards to observe care provided and ensure that a patient's privacy and dignity is being observed. Any issues identified are immediately addressed with the ward manager and good practice is fed back to staff.

- Dignity pyjamas which have a covered flap to maintain dignity for patients with indwelling catheters allow gentlemen to maintain their dignity;
- The use of t-shirts (rather than gowns) for patients who have impaired movement (e.g. stroke patients) provides comfortable and modest attire; and
- Compassionate care packs are being trialled on wards at all three hospitals. The packs contain wet wipes, comb, tooth brush and tooth paste, a drink, mints and small snack. The packs are given to relatives who may have been called in to be with a critically unwell relative – or for relatives who are staying by a dying relative's bedside. Although a small gesture these packs have been welcomed by relatives and have allowed them to maintain dignity at a highly emotive time.

Pain management

Effective pain management is an essential part of the care we provide.

- As part of the nursing metrics 10 patients per ward per month are audited for pain and appropriate pain control;
- The Anaesthetic Department also runs a Trust-wide pain clinic providing treatment plans and support for patients with acute and chronic pain; and
- A carers' and users' forum has been set up around medication to gain feedback from patients and carers with regard to medication issues.

Nutrition

- The Trust undertakes an annual Essence of Care Trust-wide mealtime audit;
- Quality rounds are undertaken annually with catering, dietetics and nursing involvement;
- Patient feedback is monitored monthly through the nursing metrics to ensure that a nutritional assessment is undertaken on patient admission;
- Patient feedback is also captured through the Friends and Family Test feedback where comments on food are captured and fed back to wards and departments;
- A new patient menu was launched in January 2014 and the Trust holds 'Come dine with me' events to showcase to the public meals that are served to patients;
- There is catering for patients with all dietary requirements and acknowledgment of faith requirements including availability of halal and kosher food;
- Protected meal times are in place to ensure patients are not disturbed during meal times and red trays are continuing to be used to identify patients who require assistance with eating; and
- Eating well, staying well-hydrated and staying active while in hospital have a big impact on our patients' health, outcome and wellbeing. The launch of 'Eat... Drink... Move...' added a 'mobility bundle', a set of simple measures that ward staff can use to encourage patients to also 'STAY ACTIVE' in hospital.

Future plans to improve compliance against the Trust targets include:

The following actions, as well as embedding the initiatives detailed above, will hopefully improve the areas detailed on the scorecard (Figure 2):

- Compliance with the National Friends and Family Test and local CQUIN requirements;
- Ongoing initiatives to embed the 6C's in the delivery of patient care;
- Ongoing monthly monitoring of pain management through nursing metrics;
- Therapy teams will continue to raise awareness of the mobility bundle and related resources and promote their use; and
- Call buzzers are being monitored via monthly metrics and patient experience metrics with performance notices for continuing non-compliance.

¹The Jonah programme is a national initiative which has been developed using the several principles which support effective operational management and safe care. 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. Jonah Boards are patient status at a glance interactive boards.

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.

Corporate Nursing Business Planning

2013-14

TRUST SUMMARY

Criteria	Previous Year	Metrics: Nursing Care Indicators - Privacy & Dignity												This Year			
		Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14				
A. Patient can reach their call bell	58% ↑	99%	99%	99%	99%	97%	95%	99%	98%	100%	100%	100%	100%	100%	100%	95%	↑
B. Patient appears warm and clean with modesty maintained	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	↑
C. Patient has appropriate screening for privacy and dignity	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	↑
TOTAL	99%	100%	100%	100%	100%	99%	100%	100%	99%	100%	100%	100%	100%	100%	100%	100%	↑
Metrics: Nursing Care Indicators - Pain Management																	
A. The pain status of all patients is assessed on admission to the ward using the Trust pain scoring tool	100%	99%	100%	99%	100%	99%	99%	98%	99%	100%	100%	100%	100%	100%	99%	95%	↓
B. The pain status of the patient is recorded using the Trust scoring tool every 24 hours	100%	100%	100%	99%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	99%	100%	↑
C. Care plans are evident for the patient requiring analgesia	92%	95%	93%	89%	95%	95%	96%	97%	96%	95%	96%	95%	95%	95%	95%	95%	↑
D. The patient is reassessed when required and in accordance with care plan documentation	93%	97%	96%	94%	92%	96%	96%	96%	95%	97%	97%	96%	96%	96%	96%	96%	↑
E. Analgesia administration and efficacy will be recorded for the patient indicated as per care plan documentation	96%	94%	93%	93%	86%	96%	96%	98%	93%	99%	98%	95%	95%	96%	95%	95%	↓
TOTAL	98%	99%	99%	97%	97%	98%	99%	99%	98%	99%	99%	98%	98%	98%	98%	98%	↑
Metrics: Patient Experience (Communication)																	
A. Do you feel that you have been treated with respect and dignity whilst you are on the ward?	96%	97%	98%	98%	98%	99%	98%	100%	98%	98%	98%	98%	98%	98%	98%	98%	↑
B. Do you feel you have enough privacy when discussing your treatment with staff?	96%	97%	97%	97%	98%	97%	98%	98%	94%	95%	95%	97%	98%	98%	98%	97%	↑
C. If you use the call buzzer, is it answered promptly?	86%	91%	88%	88%	89%	87%	92%	81%	79%	85%	82%	82%	82%	82%	82%	86%	↓
D. Do you think hospital staff do everything they can to help control your pain?	97%	96%	96%	97%	96%	96%	98%	95%	96%	96%	97%	97%	96%	96%	96%	97%	↑
E. Do you feel involved in decisions about your treatment and care?	92%	91%	94%	93%	93%	93%	94%	89%	87%	94%	95%	93%	93%	93%	93%	92%	↓
F. Have hospital staff been available to talk about any worries or concerns you have?	94%	96%	94%	94%	95%	94%	94%	95%	93%	90%	92%	94%	94%	94%	94%	94%	↓
TOTAL	94%	95%	94%	95%	96%	94%	96%	92%	91%	93%	94%	94%	94%	94%	94%	94%	↓
Metrics: Nutrition																	
Metrics: Nursing Care Indicators - Nutrition Assessment		92%	93%	93%	92%	94%	93%	95%	93%	93%	92%	92%	92%	92%	92%	93%	↓
Metrics: Patient Experience - Do you feel you get enough help from staff to eat your meals?		100%	100%	100%	100%	100%	100%	99%	98%	100%	100%	100%	100%	100%	99%	100%	↑

Priority 2: Falls

'Patient falls' account for the largest number of adverse events reported within the Trust and therefore they are a priority for all healthcare professionals in preventing harm to patients.

What is the measure:

A fall is defined as an event which results in a person coming to rest inadvertently on the ground or floor or other lower level. Age is one of the key risk factors for falls. Older people have the highest risk of serious injury arising from a fall and the risk increases with age.

Falls prevention is a Trust-wide priority and has Executive Board support in its challenge to achieve 'harm free care' by eliminating harm to our patients. The Trust recognises that a robust and coordinated approach is required to standardise clinical practices, focusing on preventative strategies and clinical interventions to reduce the incidence of harm to those patients at risk of falling in hospital.

How is this priority measured:

To provide assurance to the organisation the Trust also monitors the numbers of patient falls that are reported via the incident reporting system to ensure all incidents are reported robustly and accurately, creating a culture of openness and transparency. The implementation of clinical forums has been established across all three hospital sites to review adverse incidents and lessons learned.

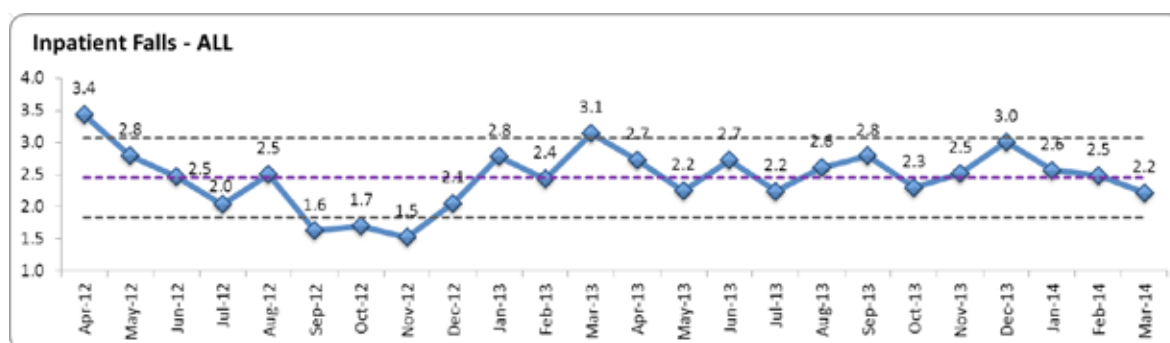
The injurious falls rate (falls with harm) demonstrate an improved position for the year end (Table 1) with all incidents now subject to a senior review by the Deputy Chief Nurse, Falls Clinical Specialist and Director of Medical Safety. These arising from these reviews are shared with the clinical teams.

In support of our 'harm free' care ambition the NHS Safety Thermometer tool provides a quick and simple method for surveying patient harms and analysing results to measure and monitor local improvement and over time. An improved Trust position, using the point prevalence tool is demonstrated in Table 1.

Figure 1a: National Safety Thermometer Tool



Figure 1b: National Safety Thermometer Tool



The development of a 'Staying Safe' Scorecard, a National High Impact Action concerned with reduction of patient falls, enables local clinical teams to develop local action plans in response to performance data (See Figure 2). Clinical outcomes are measured through Trust-wide developed scorecards which include nursing metrics regarding assessments; falls per occupied bed days; and the clinical areas demonstrating a high number of patient falls.

The year end position (2013/14) for inpatient falls rate is 8.1 (per 1,000 occupied beds). This figure represents a small improvement on previous months but demonstrates the need for a greater clinical focus on preventative strategies to be used for high risk patients. The use of the STRATIFY tool currently measures the patients' falls risk and is monitored using the nursing metrics. This measurement has been reported at between 98% and 100% since June of last year. This is a significant improvement on previous years, however the percentage score achieved within the falls metric has been affected by reduced compliance with effective care plans.

What have we done to improve:

In response, the Trust-wide Falls Steering Committee has been established to coordinate fall prevention strategies and monitor processes. Initial work focused on recent NICE guidance which led to a revised falls prevention policy and associated falls care bundles. Implementation of the new policy commences in June 2014.

In support of the fall care bundles financial resources have been allocated to purchase additional equipment such as beds/ chair arms and hi-lo beds. The recruitment of an additional two falls co-ordinators will also provide enhanced clinical expertise and advice to clinical teams.

A range of educational programmes are also in place to support new starters / nurse / medical staff and allied health professionals. In addition there is bespoke training for clinical areas demonstrating a high incidence of patient falls.

Awareness is raised for all staff group through a range of mediums such as 'safety lesson of the month', newsletters, clinical forums and learning lessons events.

Patient / carer support is provided by the development of patient literature and patient falls notification forms which have enhanced communication in a joint approach to falls prevention.

Future plans to improve compliance with Trust targets include:

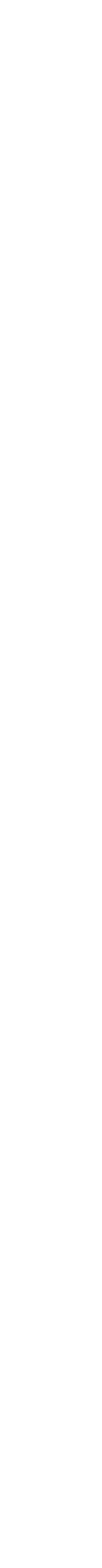
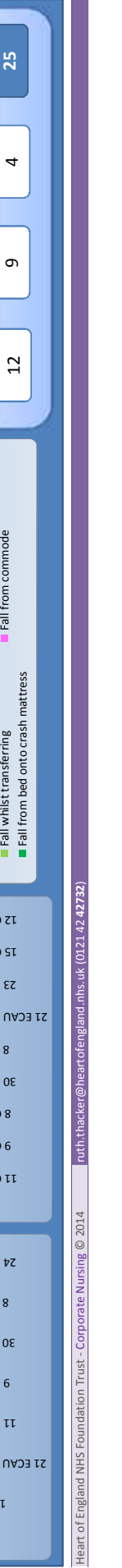
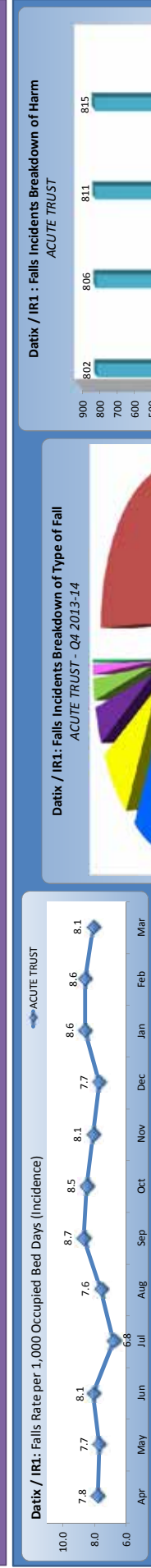
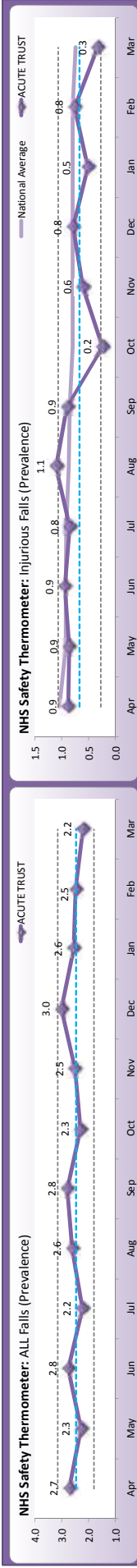
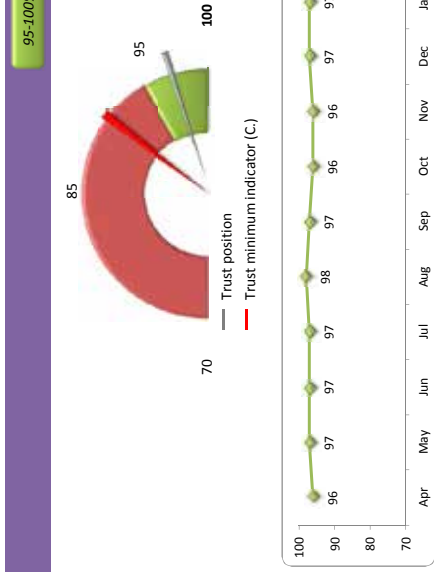
- Updating the nursing fall metrics to capture the implementation of the care bundles;
- A review of corporate induction and VITAL training to reflect the revised policy;
- Appointment of two falls coordinators; and
- A dedicated falls web page will provide further information to support referral options, advice, links to external agencies and guidelines.

Corporate Nursing Business Planning

Quarter 4 (January to March 2014)

ACUTE TRUST

Criteria	Metrics: Nursing Care Indicators - Falls Assessment				
	Previous Qtr	Jan-14	Feb-14	Mar-14	This Qtr
A. The patient received 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%	98%	99%	99%	99%
B. The assessment is dated and signed by the assessing staff member	97%	97%	96%	98%	97%
C. Trust care plan to minimise the risk of falls is evident for the patient if assessed as being at risk	92%	92%	89%	92%	91%
D. A further assessment is undertaken at least weekly for the patient if identified as being at risk	95%	94%	91%	94%	93%
E. A bedrail assessment is undertaken on the patient if identified at risk and / or using bed rails	93%	95%	97%	94%	95%
F. A manual handling risk assessment has been completed	99%	98%	99%	99%	99%
TOTAL	96%	97%	96%	97%	97%



Priority 3: Pressure Ulcers

What is a pressure ulcer?

Pressure ulcers are damage caused to the skin and underlying tissue; they cause pain and distress to patients and ultimately extend a patient's length of stay. Pressure ulcers are classified as a grade, 2, 3, 4; with 4 being the most severe. Extended length of stay and increased care of pressure ulcers cost the NHS £3.8 million a day.

What is the measure:

The Trust is committed to reducing harm caused to patients and strives to achieve zero hospital acquired pressure ulcers.

What have we done to improve:

The Trust has robust processes in place to monitor the reporting and improvement of any hospital acquired pressure ulcers:

- All pressure ulcers are reported via the Trust incident reporting system;
- The Corporate Nursing Team issues a daily harm alert listing the ward and grade of any hospital reported pressure ulcer in the previous 24 hour period;
- All hospital acquired pressure ulcers are investigated using a Root Cause Analysis Tool (RCA) this is completed by Senior Sister /Senior Charge Nurse and the site Head Nurse or their nominated deputy to determine if the pressure ulcer was avoidable or not;
- Any pressure ulcer, which is reported as grade three or above is categorised as severe harm to patients and is required to be reported to the Trust Clinical Commissioning Group (CCG). The Commissioners will monitor the incident to ensure the time-line is adhered to and a robust action plan is implemented when it is confirmed the pressure ulcer was avoidable. Some patients can develop pressure ulcers despite all the preventative care and treatment implemented due to their underlying health conditions. These are classified as unavoidable;
- Preventative measures are always the best care and the Trust has robust time-lines to be adhered to. Within the Emergency Department, all patients identified as being at risk are assessed against the frailty tool so appropriate interventions can be implemented; and
- At ward level, all patients are assessed within two hours to determine their individual risk of developing pressure ulcers, once risks have been identified a preventative plan of care is implemented. This can include the use of specialist beds, cushions, restrictions placed on the patient being able to sit out of bed, the use of care plans and the daily skin inspection tool for patients considered at risk. In May 2013, the Trust implemented the SSKIN³ Bundle, which was part of the Strategic Health Authority (SHA) Midlands and East "Stop the Pressure" campaign. The tool has been revised twice since implementation to support both compliance and user feedback.

³SSKIN is a five step model for pressure ulcer prevention:

Surface: make sure your patients have the right support.

Skin inspection: early inspection means early detection. Show patients and carers what to look for. Keep your patients moving.

Incontinence/moisture: your patients need to be clean and dry.

Nutrition/hydration: help patients have the right diet.

How is the priority measured:

Monitoring (internal)

Tissue Viability compliance is monitored monthly via the nursing care indicators (Figure 1) where 10 patients on every ward have their nursing records and care reviewed against an agreed standard. Compliance is set at 95%. A score below this would be non-compliant with the standard. Further scrutiny is applied through the Nursing and Midwifery Performance Committee, where each Head Nurse submits an exception report for any indicators that fall below the agreed 95% threshold. The exception reports are then escalated through the nursing reports to Trust Board.

Section Name	Question Short	May 2013	Jun 2013	Jul 2013	Aug 2013	Sep 2013	Oct 2013	Nov 2013	Dec 2013	Jan 2014	Feb 2014	Mar 2014	
Tissue Viability	Documentation	100%	100%	100%									
	Risk assessment	↑ 99%	↓ 96%	↑ 97%	↑ 99%	↓ 98%	↓ 97%	↑ 99%	→ 99%	↓ 98%	↑ 99%	→ 99%	
	Care plan	↑ 91%	↓ 88%	↑ 89%	↑ 92%	↓ 91%	→ 91%	↑ 92%	→ 92%	↓ 90%	↓ 88%	↑ 91%	
	Reassessment	↓ 96%	↓ 94%	→ 94%	↑ 97%	↓ 96%	↓ 95%	↑ 96%	↑ 97%	↓ 92%	↓ 90%	↑ 93%	
	Skin inspection	↑ 95%	↓ 93%	↑ 100%									
	Daily skin inspection	→ 84%	→ 84%	↑ 85%	↑ 88%	↓ 84%	↑ 86%	↑ 87%	→ 87%	↓ 86%	↑ 87%	↑ 89%	
	Total	↑ 95%	↓ 93%	↓ 92%	↑ 94%	↓ 92%	→ 92%	↑ 94%	→ 94%	↓ 92%	↓ 91%	↑ 93%	

Figure 1: Trust overview of nursing care indicators for Tissue Viability from May 2013 to March 2014

Monitoring (external)

The Trust supports and participates in the NHS Safety Thermometer national audit, which is a point prevalence audit undertaken every month to look at how organisations are delivering harm free care (Figure 2). Every month the Trust submits data on the number of new pressure ulcers and number of old pressure ulcers that are captured on the day of the audit.

New pressure ulcers are defined as any pressure ulcer that develops 72 hours post admission.

The prevalence data within figure two demonstrates a decline in the number of new pressure ulcers and the Trust is below the national average for new pressure ulcers. The Trust has implemented a number of new initiatives over the preceding year, which will have contributed to the reduction.

- The SSKIN Bundle across all in-patient areas;
- The use of the daily harm alert e-mail, which informs nursing staff every day which wards have had a hospital-acquired pressure ulcer;
- The monthly tissue viability forum where the Senior Sister has to attend a forum with either the Matron or Head Nurse to discuss any pressure ulcers that have occurred and whether these were avoidable;
- The monthly monitoring of the DATIX reporting system to ensure all pressure ulcers are reported accurately, thus creating a culture of openness and transparency; and
- The increase in tissue viability education including bespoke ward-based training.

Old pressure ulcers are those which the patient had present on admission. The patient may be receiving care for the pressure ulcer from a community care team and in these incidents, the primary and secondary care teams would work together. There are occasions when the patients come into hospital with a pressure ulcer but are not known to any care agency. The Trust has a duty of care to escalate to the Clinical Commissioning Group any patients admitted with a community acquired grade three or above pressure ulcer. The Trust will raise a safeguarding concern for patients with a grade four pressure ulcer.

The attached scorecard (figure 3) shows an increase in old pressure ulcers - the Trust can attribute some of this to a more robust reporting and recognition of pressure ulcers on admission to the Trust.

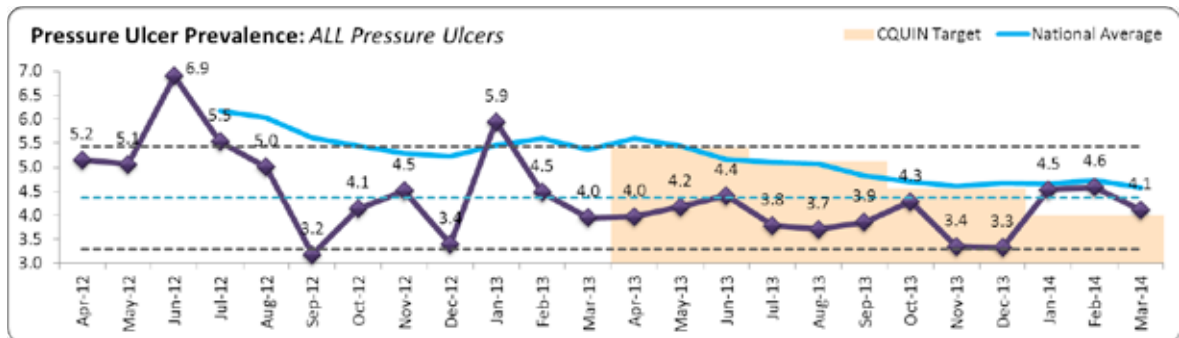


Figure 2a: Overview of all and new pressure ulcers captured within the Safety Thermometer prevalence audit from April 2012 to March 2014

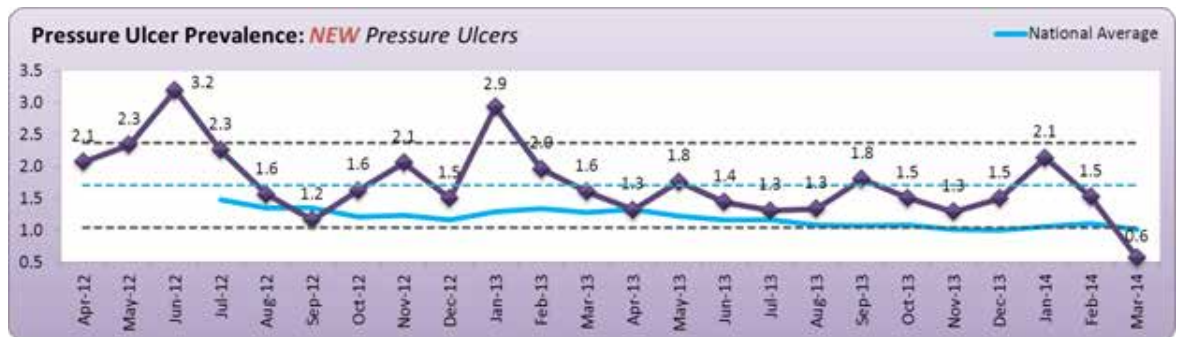


Figure 2b: Overview of all and new pressure ulcers captured within the Safety Thermometer prevalence audit from April 2012 to March 2014

The Trust also produces Your Skin Matters scorecard (See Figure 3 overleaf) which triangulates the evidence obtained from the nursing care indicators the avoidability outcomes from any pressure ulcers. The scorecard displays three areas within the Nursing Care Indicators which have not achieved the agreed Trust standard of 95% or above for this quarter. To improve performance the following actions have been taken:

- A revised Performance Framework has been developed with clear actions and levels of responsibility, and the process for issuing performance notices when standards are not met; and
- The care plan has been revised and will now be incorporated into the Nursing Risk Assessment Booklet.

Resources and education

The Trust recognises having a well-educated workforce improves patient outcomes. Education on the prevention and management of pressure ulcers is delivered in a variety of ways:

- Access to Tissue Viability Clinical Nurse Specialist team;
- Monthly study days for both Registered Nurses and Healthcare Practitioners;
- October 2013 saw the introduction of Trust Skill Drills Days where registered nurses receive a 20 minute update on one aspect of tissue viability;
- Link nurses are nurses who have a special interest in tissue viability and act as champions within their own clinical area for tissue viability. To support their role the link nurse has a bespoke training day to enhance their knowledge and skills; and
- Educational material is also accessible via the Intranet site to all practitioners.

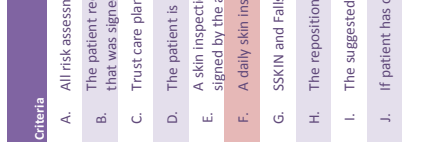
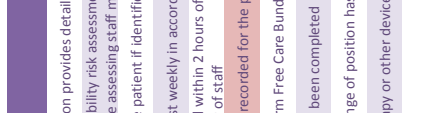
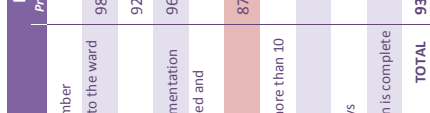
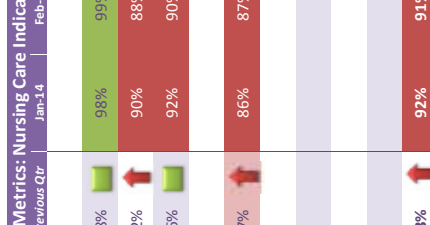
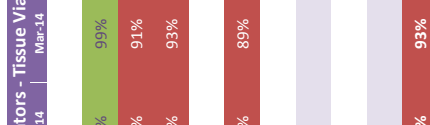
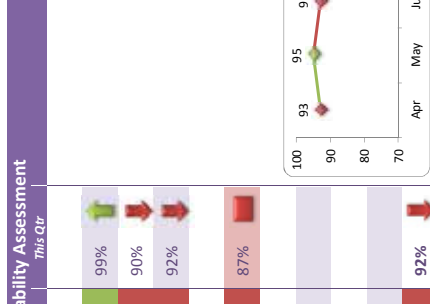
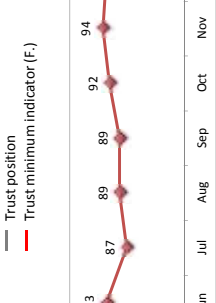
Future plans to improve compliance against the Trust targets:

The Trust's future plans include:

- To reduce all avoidable pressure ulcers and ultimately reduce harm to patients;
- To continue to develop a well-educated proactive workforce in the management of pressure ulcers;
- To continue to apply new evidence-based research in the management and care of pressure ulcers;
- To pilot a modified Midwifery Tissue Viability Assessment Tool; and
- Intensive Care Unit & High Dependency Unit daily patient records to be amended to have a bespoke SSKIN Care bundle incorporated into them.

Corporate Nursing Business Planning - Quarter 4 (January to March 2014)

Criteria	Metrics: Nursing Care Indicators - Tissue Viability Assessment			
	Previous Qtr	Jan-14	Feb-14	Mar-14
A. All risk assessment documentation provides details of patient's name and identity number	98%	98%	99%	99%
B. The patient received a tissue viability risk assessment on day of admission or transfer to the ward that was signed and dated by the assessing staff member	92%	90%	88%	91%
C. Trust care plan is evident for the patient if identified at risk	96%	92%	90%	93%
D. The patient is re-assessed at least weekly in accordance with the Trust care plan documentation				
E. A skin inspection was conducted within 2 hours of admission / transfer which was dated and signed by the assessing member of staff				
F. A daily skin inspection has been recorded for the patient if identified as at risk	87%	86%	87%	89%
G. SSKIN and Falls Care Bundle (Harm Free Care Bundle) is in place if Waterflow score is more than 10				
H. The repositioning frequency has been completed				
I. The suggested frequency of change of position has been adhered to for the past 3 days				
J. If patient has oxygen / NIV therapy or other device in place, the 'Other TV Risk' section is complete				
TOTAL	93%	92%	91%	93%



Priority 4: Fractured Neck of Femur

Hip fractures are cracks or breaks in the top of the thigh bone (femur) close to the hip joint. Care of patients with hip fracture in the Trust is audited against nine evidence-based standards:

- Prompt admission to orthopaedic care;
- Surgery within 36 hours;
- Nursing care aimed at minimising pressure ulcer incidence;
- Routine access to ortho-geriatric medical care;
- Assessment and appropriate treatment to promote bone health and falls assessment;
- Review at Multi-Disciplinary Team (MDT) meeting;
- Assessment mental testing (dementia screen) pre-operative;
- Assessment mental testing (dementia screen) post-operative; and
- Bone density testing.

The national target to meet all elements of best practice pathway is 76.4%.

The Trust continues to make progress in achieving all the nine indicators and therefore improving the outcomes for patients with hip fracture during 2013/14.

What is the measure:

The Trust has chosen four indicators (highlighted in bold above) to monitor in more detail for this priority. Time to theatre is set at a target of 90% being operated on within 36 hours with a 10% tolerance for medically unfit patients. All other elements of the pathway are targeted at 100%.

The overall current end of year situation:

Trust-wide:

In 2013/14 756 NOF patients were seen by the Trust compared to 836 patients in 2012/13; a reduction of 9.6%.

There has also been a fall in the number of patients meeting best practice down from 43.4% in 2012/13 to 39.7% in 2013/14.

There have been slight improvements in 2013/14 for the following best practice criteria compared to 12/13; Joint Care (100% v 97.7%), Assessment Protocol (88.5% v 86.1%), MDT Assessment (96.2% v 88.3%), Falls Assessment (95.2% v 91.2%) and Bone Protection Medicine (94.6% v 93.8%).

The biggest deterioration was for Dementia Test 2; 72.8% in 2013/14 v 86.5% in 2012/13. In addition, there was a fall in performance in 2013/14 for the following criteria; Time to Surgery (60.3% v 64.5%), Time to Ortho-Geriatric Assessment (87.4% v 88.2%) and Dementia Test 1 (86.4% v 89.7%).

Birmingham Heartlands Hospital:

In 2013/14 413 NOF patients were seen on the Heartlands and Solihull sites compared to 471 patients in 2012/13; a reduction of 12.3%.

There has also been a fall in the number of patients meeting best practice down from 46.9% in 2012/13 to 38.7% in 13/14.

There have been slight improvements in 2013/14 for the following best practice criteria compared to 2012/13; Joint Care (100% v 97.5%), Assessment Protocol (86.7% v 86.6%), Time to Geri Assessment (94.0% v 93.2%), MDT Assessment (96.9% v 93.0%) and Falls Assessment (94.4% v 89.8%).

There have been deteriorations in 13/14 for the following best practice criteria; Time to Surgery (51.8% v 63.1%), Dementia Test 1 (86.4% v 91.6%), Dementia Test 2 (73.4% v 88.9%) and Bone Protection Medication (93.2% v 96.0%).

Good Hope Hospital:

In 13/14 343 NOF patients were seen on the Good Hope site compared to 365 patients in 2012/13; a reduction of 6.0%.

The site has improved the number of patients meeting best practice to 40.8% in 2013/14 compared to 38.9% in 2012/13.

There have been slight improvements in 2013/14 for the following best practice criteria compared to 12/13; Time to Surgery (70.6% v 66.3%), Joint Care (100% v 98.1%), Assessment Protocol (90.7% v 85.5%), MDT Assessment (95.3% v 82.2%), Falls Assessment (96.2% v 92.9%) and Bone Protection Medicine (96.2% v 91.0%)

There have been deteriorations in 2013/14 for the following best practice criteria; Time to Ortho-Geriatric Assessment (79.6% v 81.6%), Dementia Test 1 (86.3% v 87.3%) and Dementia Test 2 (72.0% v 83.5%).

The following information compares performance on 4 identified indicators for 12/13 vs 13/14.

Time to theatre target 36 hours

The tables below show the performance by site of the key indicators 'surgery within 36 hours' which the Trauma and Orthopaedic Directorate has focused on during the past 12 months. The local target is that 90% of patients should be operated on within 36 hours of admission.

Birmingham Heartlands 2012 to 2013

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
2012 Patients (number)	52	47	45	32	44	43	29	45	47	67	46	41
Patients to Surgery <36 hours	38	23	28	24	25	24	24	33	29	52	25	24
Patients to Surgery 36> hours	14	24	17	8	19	19	5	12	18	15	21	17
Percentage Passed	73.1	48.9	62.2	75.0	56.8	55.8	82.8	73.3	61.7	77.6	54.3	58.5

Birmingham Heartlands 2013 to 2014

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
2013 Patients (number)	39	41	47	36	46	30	37	36	36	31	27	12
Patients to Surgery <36 hours	27	28	25	19	33	22	23	28	21	22	21	7
Patients to Surgery 36> hours	12	13	22	17	13	8	14	8	15	9	6	5
Percentage Passed	69.2	68.3	53.2	52.8	71.7	73.3	62.2	77.8	58.3	71.0	77.8	58.3

Good Hope 2012 to 2013

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
2012 Patients (number)	34	31	26	30	39	30	25	30	48	31	33	24
Patients to Surgery <36 hours	26	19	15	18	23	17	22	22	27	26	26	19
Patients to Surgery 36> hours	8	12	11	12	16	13	3	8	21	5	7	5
Percentage Passed	76.5	61.3	57.7	60.0	59.0	56.7	88.0	73.3	56.3	83.9	78.8	79.2

Good Hope 2013 to 2014

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
2013 Patients (number)	25	30	29	35	27	35	30	31	33	24	31	13
Patients to Surgery <36 hours	23	25	13	24	16	26	15	23	26	17	22	10
Patients to Surgery 36> hours	2	5	16	11	11	9	15	8	7	7	9	3
Percentage Passed	92.0	83.3	44.8	68.6	59.3	74.3	50.0	74.2	78.8	70.8	71.0	76.9

The service has been able to utilise additional theatre space at Good Hope Hospital to be able to complete minor trauma procedures, which has given some capacity in the main operating theatre for the fractured neck of femur patients to be treated.

There has been limited access to additional theatre capacity when demand has been high through admissions. This has had an impact on the Time to Theatre Target for 2013/14 due to vacancies in trauma theatres and skill mix across both the Good Hope and Birmingham Heartlands sites.

The appointment of three new Consultants and implementation of a new trauma rota will assist in the improvement of list planning and assist in the full utilisation of all theatre time in 2014/15.

Review at multi-disciplinary team (MDT) meeting

The trust has achieved the 100% local target set for MDT assessment for three continuous months.

MDT assessment has remained at 100% at Birmingham Heartlands site with an increase to 100% at Good Hope site. This has been achievable with the introduction of the electronic Jonah and MDT teams meeting each morning and discussing each patient.

Assessment mental testing (dementia screen 1) pre-operative and assessment mental testing (dementia screen 2) post-operative

We failed to meet the local target of 100% of patients having a dementia screen both pre-operative and post-operatively.

The ortho-geriatric teams work closely with the orthopaedic team to ensure that all elements of the patient pathway, including dementia screening and multi-disciplinary team discussions take place. With the introduction of the ortho-geriatric input at weekends patients are being reviewed and assessed in a timelier manner. Additional ortho-geriatric input at Good Hope is still in its infancy and the Trust is expecting these figures will increase in 2014/15.

Birmingham Heartlands 2012 to 2013

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
2012 Patients (number)	52	47	45	32	44	43	29	45	47	67	46	41
Pre Op AMT Done - Yes	44	44	44	32	43	39	29	44	45	63	38	36
Pre Op AMT Done - No	8	3	1	0	1	4	0	1	2	4	8	5
Percentage Passed	84.6	93.6	97.8	100.0	97.7	90.7	100.0	97.8	95.7	94.0	82.6	87.8
Post Op AMT done - Yes	46	44	45	32	43	39	28	42	36	56	35	29
Post Op AMT done - No	6	3	0	0	1	4	1	3	11	11	11	12
Percentage Passed	88.5	93.6	100.0	100.0	97.7	90.7	96.6	93.3	76.6	83.6	76.1	70.7

Birmingham Heartlands 2013 to 2014

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
2013 Patients (number)	39	41	47	36	46	30	37	36	36	31	27	12
Pre Op AMT Done - Yes	36	40	43	35	42	28	29	26	25	26	20	11
Pre Op AMT Done - no	3	1	4	1	4	2	8	10	11	5	7	1
Percentage Passed	92.3	97.6	91.5	97.2	91.3	93.3	78.4	72.2	69.4	83.9	74.1	91.7
Post Op AMT done - Yes	35	34	33	26	28	23	20	24	23	26	19	10
Post Op AMT done - No	4	7	14	10	18	7	17	12	13	5	8	2
Percentage Passed	89.7	82.9	70.2	72.2	60.9	76.7	54.1	66.7	63.9	83.9	70.4	83.3

Good Hope 2012 to 2013

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
2012 Patients (number)	34	31	26	30	39	30	25	30	48	31	33	24
Pre Op AMT Done - Yes	26	25	19	25	35	29	24	27	41	31	32	23
Pre Op AMT Done - no	8	6	7	5	4	1	1	3	7	0	1	1
Percentage Passed	76.5	80.6	73.1	83.3	89.7	96.7	96.0	90.0	85.4	100.0	97.0	95.8
Post Op AMT done - Yes	16	21	22	25	37	29	24	25	46	30	30	13
Post Op AMT done - No	18	10	4	5	2	1	1	5	2	1	3	11
Percentage Passed	47.1	67.7	84.6	83.3	94.9	96.7	96.0	83.3	95.8	96.8	90.9	54.2

Good Hope 2013 to 2014

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
2013 Patients (number)	25	30	29	35	27	35	30	31	33	24	31	13
Pre Op AMT Done - Yes	25	29	26	34	21	31	27	27	21	19	24	10
Pre Op AMT Done - no	0	1	3	1	6	4	3	4	12	5	7	3
Percentage Passed	100.0	96.7	89.7	97.1	77.8	88.6	90.0	87.1	63.6	79.2	77.4	76.9
Post Op AMT done - Yes	24	27	27	31	14	23	19	21	24	18	20	6
Post Op AMT done - No	1	3	2	4	13	12	11	10	9	6	11	7
Percentage Passed	96.0	90.0	93.1	88.6	51.9	65.7	63.3	67.7	72.7	75.0	64.5	46.2

Combined 2012 to 2013

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
2012 Patients (number)	86	78	71	62	83	73	54	75	95	98	79	65
Pre Op AMT Done - Yes	70	69	63	57	78	68	53	71	86	94	70	59
Pre Op AMT Done - No	16	9	8	5	5	5	1	4	9	4	9	6
Percentage Passed	81.4	88.5	88.7	91.9	94.0	93.2	98.1	94.7	90.5	95.9	88.6	90.8
Post Op AMT done - Yes	62	65	67	57	80	68	52	67	82	86	65	42
Post Op AMT done - No	24	13	4	5	3	5	2	8	13	12	14	23
Percentage Passed	72.1	83.3	94.4	91.9	96.4	93.2	96.3	89.3	86.3	87.8	82.3	64.6

Combined 2013 to 2014

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
2013 Patients (number)	64	71	76	71	73	65	67	67	69	55	58	25
Pre Op AMT Done - Yes	61	69	69	69	63	59	56	53	46	45	44	21
Pre Op AMT Done - No	3	2	7	2	10	6	11	14	23	10	14	4
Percentage passed	95.3	97.2	90.8	97.2	86.3	90.8	83.6	79.1	66.7	81.8	75.9	84.0
Post Op AMT done - Yes	59	61	60	57	42	46	39	45	47	44	39	16
Post Op AMT done - No	5	10	16	14	31	19	28	22	22	11	19	9
Percentage passed	92.2	85.9	78.9	80.3	57.5	70.8	58.2	67.2	68.1	80.0	67.2	64.0

How is this priority measured:

The figures for fractured neck of femur are discussed at the Clinical Quality Performance Group and the performance of the above is reported on the key performance indicators to the Trust Finance Performance Committee.

Best Practice Tariff for all elements is discussed at fortnightly trauma action group meetings with all parties of the multidisciplinary team present and actions agreed in areas that require improvement. The figures are also reported to the Clinical Director at weekly management meetings.

What have we done to improve:

Birmingham Heartlands Hospital has undertaken bed modelling around trauma beds and as a result it has been identified that further capacity is required to prevent the admission of fractured neck of femur patients to non trauma wards.

Work to improve these indicators across the Trust include:

- The introduction of the electronic Jonah system which has aided in the progression and monitoring of the 36 hour operating target with this deadline being displayed visually;
- Re-introduction of the 19.00 wards round to establish list planning. This is beginning to aid in the time to theatre target being met with better communication between all teams and better planning of theatre utilisation;
- Fracture neck of femur patients being prioritised first on the operating list to ensure time to theatre is met;
- TAG (Trauma Action Group) meet fortnightly at Birmingham Heartlands site where fractured neck of femur performance is reviewed to insure implementation of previous actions and discussion and documentation / plans made on improving and achieving standards;

Future plans to improve compliance against the Trust targets:

- A trauma lead surgeon with clear accountability for delivery has been appointed for patients attending theatre;
- A business case has been approved and is being developed to implement a new trauma rota at Birmingham Heartlands Hospital to strengthen the service and improve outcomes even further for patients;
- Appointment of three locum consultants to assist in making the trauma service at Birmingham Heartlands Hospital a viable trauma unit;
- Review and introduction of a universal pathway data form is to be introduced across both sites from June 2014 to capture and increase performance;
- A live database is being piloted with the data manager reviewing current records of patients on the wards and raising any areas where assessments have not taken place, working closely with the trauma lead nurse to aid in the improved dementia testing;
- Review of underutilised day case theatre space on Birmingham Heartlands site to accommodate some minor trauma and create additional theatre time in main theatres;
- Proforma to be completed by consultants for all patients failing to achieve time to theatre within 36 hours;
- Information from live data to be shared with directorate and consultant body to identify areas of improvement; and
- Surgical reconfiguration includes the proposal to have trauma on one site with the increase in theatre/bed capacity.

Priority 5: Stroke

The Trust is responsible for providing a stroke service to three sites.

Solihull Hospital provides an 'office hours' hyper acute stroke service with a permanent stroke unit. This is the same service at Good Hope Hospital. Birmingham Heartlands Hospital receives all out of office hours hyper acute stroke patients and provides a 24/7 service. It has a permanent hyper acute stroke unit (HASU) and a permanent acute stroke unit.

Early assessment by stroke specialist teams with care being delivered within defined specialist units is nationally accepted as achieving the best outcomes for stroke patients.

What is the measure:

Four priorities have been chosen to be prioritised from the acute stroke pathway (listed below) in order to manage patients correctly to achieve the best outcomes.

How is the priority measured:

These are chosen from a combination of stroke key performance indicators including contract targets and best practice tariff (BPT)⁴.

1. Acute Stroke Patients Thrombolysed

This measure is collected as part of hyper acute stroke service measured nationally and reported through Sentinel Stroke National Audit Programme (SSNAP).

- Focuses on the hyper-acute phase;
- The understanding of stroke as a medical emergency in the local community;
- Ambulance Service responses and assessments;
- Emergency Department performance in rapid stroke assessment and referral; and
- The ability of the stroke service (medical and nursing) to respond with seven day working patterns.



Target 10%.

⁴Best Practice Tariffs (BPTs) aim to reduce unexplained variation in clinical quality and ensure that best practice is widespread. The Department of Health (DH) seeks to structure and price BPTs so that they adequately reimburse and incentivise high quality and cost-effective care. The DH introduced BPTs in 2010/11 and has gradually expanded their range. The DH's policy intention is to continue to increase the number of BPTs.

2. Direct Admission to Stroke Unit within 4 hours

This measure is reported through BPT.

- Focuses on the hyper-acute to acute phase;
- Emergency Department performance in rapid stroke assessment and referral;
- Stroke unit capacity; and
- Bed management and protection.



Target 50%

3. Swallow Assessment for Stroke Patients within 4 hours

This measure is part of our contracts and is reported as a key performance indicator (KPI) to the commissioners.

- Focuses on the hyper-acute to acute phase;
- Emergency Department performance in rapid stroke referral;
- The ability of the stroke service (nursing) to respond with seven day working patterns; and
- Focuses on stroke-specific training and skill set.



Target
Q1 70%
Q2 77%
Q3 82%
Q4 85%

4. 90% of Stay Spent in a Stroke Unit

This measure is part of our contracts and is reported as a KPI as above.

- Focuses on the acute to early rehabilitation phase;
- Stroke unit capacity; and
- Bed management and protection.



Target 80%

What have we done to improve:

1. % of Acute Stroke Patients Thrombolysed. Target 10%

Currently the performance is below expected national figures but regional variations are accepted. The Trust needs to ensure that its data capture on SSNAP is consistent to include all stroke patients.

	Q1 12/13	Q2 12/13	Q3 12/13	Q4 12/13	Q1 13/14	Q2 13/14	Q3 13/14	Q4 13/14
% of acute stroke patients thrombolysed	4.1%	6.0%	2.2%	2.8%	3.9%	4.3%	6.2%	7.1%

6.2% equates to the figure nationally and a fair figure for the population the Trust serves. There is no evidence that the Trust misses opportunities to thrombolysed patients.

The figures show a progressive increase in numbers thrombolysed over 13/14. 10% is a target for the Trust, however local variations to this figure are expected. There is a scrutiny process to ensure that opportunities to thrombolysed patients are minimised in the current circumstances.

What have we done to improve:


The out of hours service moving to Birmingham Heartlands Hospital has shown improvements in the numbers of patients thrombolysed. This has coincided with an increase in stroke volume meaning the percentage rise has been less obvious.

Future plans to improve compliance against the Trust targets include:

All hyperacute stroke services moving to BHH from SH and GHH with the increased specialist workforce across medicine and nursing is expected to improve the pathway through economy of scale, availability of newer imaging techniques and more complex thrombolysis treatments.

This is one of the purposes of the Trust and Regional reconfiguration.

⁵Sentinel Stroke National Audit Programme – hosted by the Royal College of Physicians. It produces quarterly reports on performance that are made available to the NHS domain and to commissioners. This is a very thorough and intensive ongoing audit of the whole pathway for stroke and transient ischaemic attack (TIA) or ‘mini stroke’

2. % of Direct Admission to Stroke Unit within 4 hours.  Target 50%

Capacity throughout the three sites remains a challenge. Recent changes to operating procedures with regards to the protection of stroke beds, as well as the relocation of HASU at Birmingham Heartlands Hospital, have facilitated an improvement in performance. Each site needs to continue to focus on keeping specialist bed capacity free to enable further improvements in performance.

Percentage of Patients Directly Admitted to Stroke Unit within 4 hours				
	Q1 13/14	Q2 13/14	Q3 13/14	Q4 13/14
Heartlands	44%	68%	64%	73%
Good Hope	41%	58%	38%	47%
Solihull	19%	30%	38%	44%
The Trust	25.3%	36.4%	45.1%	51.4%

The Trust figure overall is improving but is not at the level the Trust strives for going forward. This is possibly the single most evidence based intervention for stroke patients. An early admission to a stroke unit generally means early assessment by specialists and less variation in treatment and care. The stroke services are affected by capacity issues during peak times of the year.

Birmingham Heartlands Hospital has managed bed protection and flow to gain access to HASU beds progressively throughout 2013/14. This has been through collaboration with the Emergency Department, the Acute Medicine Department and through changing HASU locations and priorities. Birmingham Heartlands Hospital has also been able to extend specialist nursing cover to allow early assessment and facilitation of admissions.

Good Hope Hospital figures have remained reasonably static in performance and this is affected by overall site capacity.

Solihull Hospital has improved performance steadily but remains below target.


What have we done to improve:

The out of hours service moving to Birmingham Heartlands Hospital has improved Trust figures as more patients are meeting the targets at Birmingham Heartlands Hospital and out of hour missed targets on the pathway are reduced at Good Hope Hospital and Solihull Hospital.

Future plans to improve compliance against the Trust targets include:

- All hyperacute stroke services moving to Birmingham Heartlands Hospital from Solihull Hospital and Good Hope Hospital with the increased specialist workforce across medicine and nursing is expected to improve the pathway;
- Specialist nursing cover will be extended to 24/7 from June 2014 at Birmingham Heartlands Hospital;
- The out of hours service move will alter capacity needs at Birmingham Heartlands Hospital and work is in progress to build a new HASU at the Heartlands site with additional capacity to cope with the increased flow; and
- This is one of the purposes of the Trust and regional reconfiguration.

3. % of Stroke Patients with a Swallow Assessment Completed within 4 hours

 Target Q1 70% Q2 77% Q3 82% Q4 85%

This performance is directly related to specialist nursing cover which has been acknowledged in the reconfiguration and recruitment for new posts which is currently underway. 24/7 cover from a specialist nurse team is essential in order to gain improvement with this measure.

Percentage of Stroke Patients with a Swallow Assessment Completed				
	Q1	Q2	Q3	Q4
Birmingham Heartlands	47.8%	61.4%	72.7%	84.6%
Good Hope	73.9%	84.9%	75.0%	59.3%
Solihull	65.1%	64.4%	78.2%	81.0%
The Trust	63.18%	74.2%	75.6%	75.9%

This is a very good marker for the level and speed of initial specialist assessment. Swallow screens have to be taught as a competency and are usually only performed by stroke specialist / competent nurses.

This was not being provided 24/7. In December 2013 the Trust invested in two secondments for six months to try to address this at Birmingham Heartlands Hospital, where the out of hours stroke service is based. This is expected to improve the metric for Birmingham Heartlands Hospital and the Trust as a whole, but there are still gaps at Solihull Hospital and Good Hope Hospital sites that require further discussion and potential investment.

Nationally again the Trust sits just above the average.

What have we done to improve:

Out of hours service moving to Birmingham Heartlands Hospital has shown improvements in the numbers of patients seen at the site where performance is best managed out of hours. This has in turn improved the percentage performance at Solihull Hospital as the failure to hit the targets were mainly out of hours.

Good Hope Hospital has had a transition in specialist nursing and this has caused a drop in performance. Two new posts are now in place and will be covering seven days. This will secure an improvement in performance at Good Hope Hospital.


Future plans to improve compliance against the Trust targets include:

All hyperacute stroke services moving to Birmingham Heartlands Hospital from Solihull Hospital and Good Hope Hospital with the increased specialist workforce across medicine and nursing is expected to improve the pathway.

Specialist nursing cover will extend to 24/7 from June 2014 at Birmingham Heartlands Hospital and this is the main marker for swallow performance. As all hyperacute services move to Birmingham Heartlands Hospital where immediate 24/7 assessment is available, the performance for the Trust as a whole will improve.

Prior to this the teams on all sites have been informed that rapid assessment of stroke patients in the Emergency Department, which will include swallow screens, is a priority.

This is one of the purposes of the Trust and regional reconfiguration.

4. % of Patients Spending 90% of Hospital Stay in a Stroke Unit  Target 80%

Capacity throughout the three sites remains challenging which at times directly impacts on the performance to meet this target. Each site needs to continue to focus on keeping specialist capacity free to allow this performance to continue to improve.

Percentage of Patients Spending 90% of stay in a Stroke Unit				
	Q1	Q2	Q3	Q4
Birmingham Heartlands	89.7%	90.0%	91.7%	86.0%
Good Hope	86.2%	89.6%	85.0%	78.4%
Solihull	68.8%	83.9%	76.2%	79.6%
The Trust	82.3%	88.3%	83.7%	82.2%

These are consistently stable figures that are reasonable but the Trust is aiming for 90% compliance. This is associated to the direct admission metric as anyone who has a short length of stay who is not initially admitted to a stroke unit is likely to fail this metric. Nationally the Trust sits just within the upper quartile (best performing organisations).

What have we done to improve:

The Trust better manages the flow from HASU to ASU and looks after all stroke patients at all stages of the pathway in stroke units wherever possible.

Future plans to improve compliance against the Trust targets include:

This is very closely linked to the four hour admission standard as direct admission to a stroke unit will ensure this standard. Thus capacity needs to be sufficient to not only allow front door access, but also to allow stroke patients to be looked after by stroke specialist teams for the entirety of their hospital stay. Thus the proposed changes in staffing and centralisation of hyperacute care as well as bed protection will improve compliance with this important indicator.

Priority 6: Dementia Care

Dementia and delirium are two of the commonest problems encountered by older people, resulting in increased rates of death and harm in hospital. Evidence shows that identification of patients with dementia, and, implementation of simple tools, such as 'about me', lead to a large improvement in this position. Management of acute confusional states requires a standardised approach, which is not covered by current training standards for work in an acute hospital.

This priority measures four standards, in an attempt to identify how the Trust, as an organisation, is responding to the challenge of caring for dementia. As an acute trust, at any one time and in any clinical area 20-40% of patients will have a dementing illness. These four standards were selected by the dementia strategy and steering group as valuable in monitoring Trust progress in addressing the needs of our patients.

Standards	Previous Position	Current Position	Future Aims
<p>S1: Every unplanned admission for a patient aged over 75 to result in querying dementia as a known diagnosis. Target 90%.</p> <p>[Note: The target was changed midyear to querying dementia within 72 hours following admission].</p>	<p>This was requested with central collection of the data. A computerised tool was developed to make this easier.</p>	<p>This is now a Trust requirement. Access is at the same time as prescribing medication.</p> <p>At March 2014 the % of all patients aged 75 and over who have been screened following admission to hospital, using the dementia screening question was 69.5%.</p>	<ul style="list-style-type: none"> • Implementation of new care pathway making collection of this data central to patient care. • Continuing education so that staff are clear why this is important for their patients; • Creation of a clear care bundle / pathway • Creation of metrics for ward managers to manage the implementation.
<p>S2: Every patient with potential dementia to have communication with primary care teams.</p>	<p>There was no standardised way for this to happen. It was not possible to communicate with the community mental health team (CMHT) other than on an ad-hoc basis.</p>	<p>Now standardised advice given on how to communicate. Previous figures represented a sample of discharge letters to primary care. Further work is needed to develop robust data to measure compliance with this target.</p>	<ul style="list-style-type: none"> • Integrate local IT system so information collected for patients with dementia or where dementia is suspected is automatically passed to primary care • Urgent need to improve cover at Solihull site. 0.5 consultant required initially • Integrate Trust system with the Mental Health Trust IT system.

<p>S3: Joint elderly care medicine and old age psychiatry expertise to be routinely available on all three sites for older people in need.</p>	<p>Old age psychiatry was provided as an external service, with presence only at the Solihull site (sporadically). No appointed lead for dementia. No elderly care dementia specialist.</p>	<p>RAID plus liaison model implemented across the Trust. Old age psychiatry available at Heartlands site, with joint liaison at Good Hope and no current consultant at Solihull site though one member of the team does have training in older adult mental health.</p>	<p>Permanent old age psychiatry presence at Solihull site, supporting experienced elderly care team.</p>
<p>S4: Care of delirium will be standardised and improved.</p>	<p>A clinical guideline was available which offered advice only. There was no standardised diagnostic tool or approach.</p>	<p>A new guideline approved by the Trust across all three sites. Agree initial assessment method in Emergency Department, rapid assessment / triage point. Agreed method of assessment of confusion in AMU assessment (Solihull) Trust Medical Director is now the executive lead for dementia.</p>	<ul style="list-style-type: none"> • Increasing education, including involvement of acute medicine. • Changes to clerking documentation planned. • 12 month educational rollout programme beginning. • Embed 'About me'.

The Trust will be using NICE guidance on delirium and dementia to assist with this as well as the Prime Minister's Challenge⁵.

⁵The Prime Minister's challenge on dementia builds on the achievements of the existing National Dementia Strategy. The Prime Minister has set out his dementia challenge to society, the medical profession, business and Government, alongside the Alzheimer's Society publishing their report 'Dementia 2012: A national challenge'.

The government will focus on improving the areas that matter most for dementia:

- awareness;
- quality care; and
- research.

Priority 7: Discharge Arrangements

What is the measure:

To improve communication relating to discharge arrangements for patients and relatives.

What have we done to improve:

The Trust has developed an electronic system called e-Jonah to help staff manage and improve the patient discharge process. This electronic system identifies key teams involved in the discharge process for any particular patient and highlights delays or issues leading to unnecessary delays to discharge. The benefits expected from the system are:

- Improved patient safety and patient experience;
- Timely clinically appropriate discharge;
- Reduced length of stay and readmissions;
- Systematic approach to reducing causes of delay;
- Improved cross-boundary communication;
- Improved internal communication;
- Visual management of the pathway;
- Clear escalation process; and
- Bedside to Board information identifying constraints.

The system is now established across the inpatient areas (excluding paediatrics, maternity and gynaecology) at Birmingham Heartlands Hospital, Good Hope Hospital and Solihull Hospital. Maternity is also currently looking to implement the system at Good Hope Hospital.

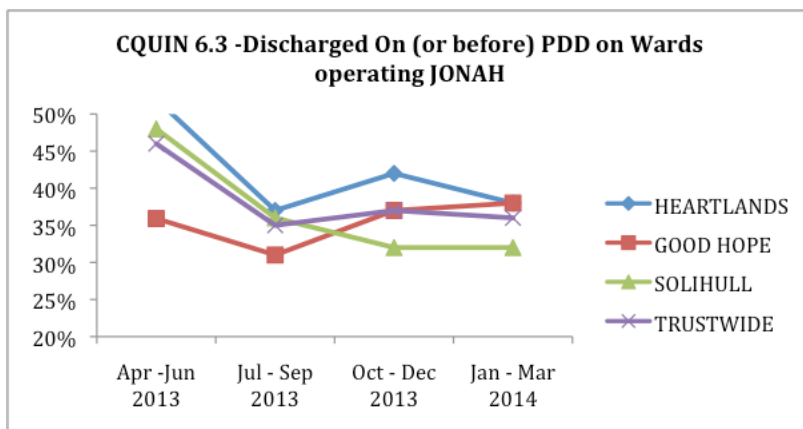
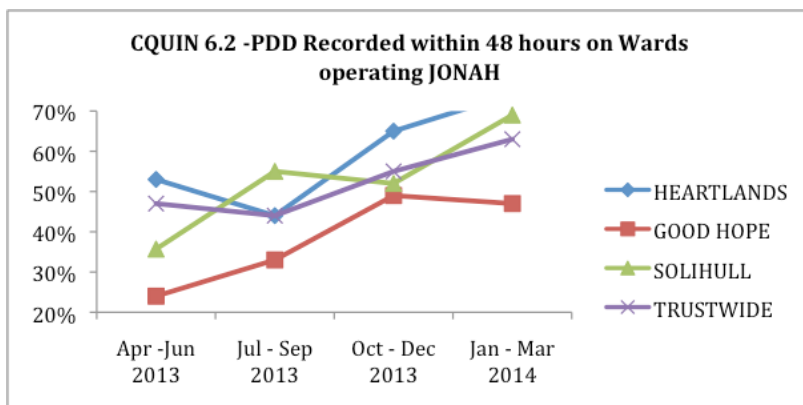
How is the priority being measured:

This initiative is being monitored by our commissioners through a related CQUIN (see p.132-137).

What improvements have been put in place:

- 100% of identified wards across the Trust are utilising the electronic monitoring system;
- % of patients across the Trust who received a PDD (predicted date of discharge) within 48 hours of admission was 47% at the start of the project – current Trust performance is 55%; and
- % of patients who went home before or on their D4D (date for discharge) was 19% - current Trust performance is 38%.

The Trust monitors progress against the numbers of patients given a predicted date of discharge within 48 hours of admission and the numbers of patients who go home on or before their date for discharge.



Performance against these indicators reflect that the Trust rolled the system out in a methodical way by site and that the sites were at different stages of embedding the process.

⁶Safe care means not keeping patients in hospital any longer beyond the acute phase of their illness/surgical recovery. To enable teams to progress safe, timely care the Trust has established the SAFER flow bundle, this means:

Senior Review: Consultant will conduct a daily ward round;

All: All patients will have a PDD (planned date for discharge) agreed within 24 hours of admission;

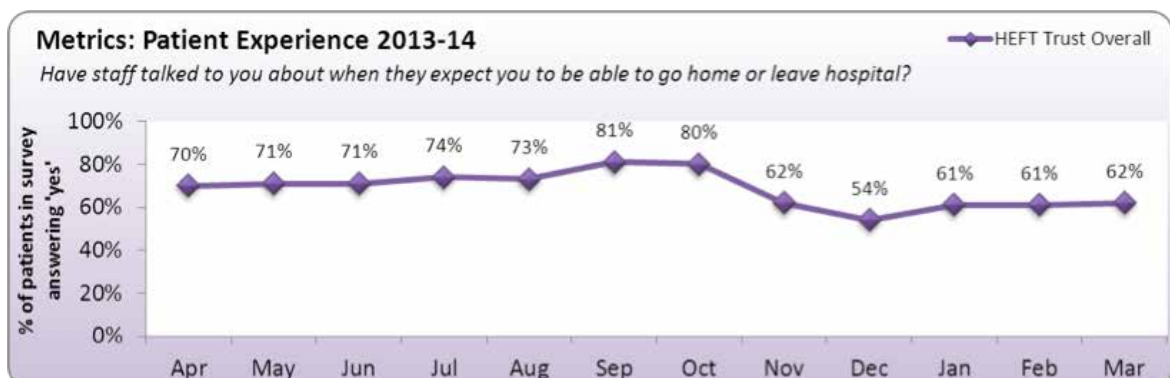
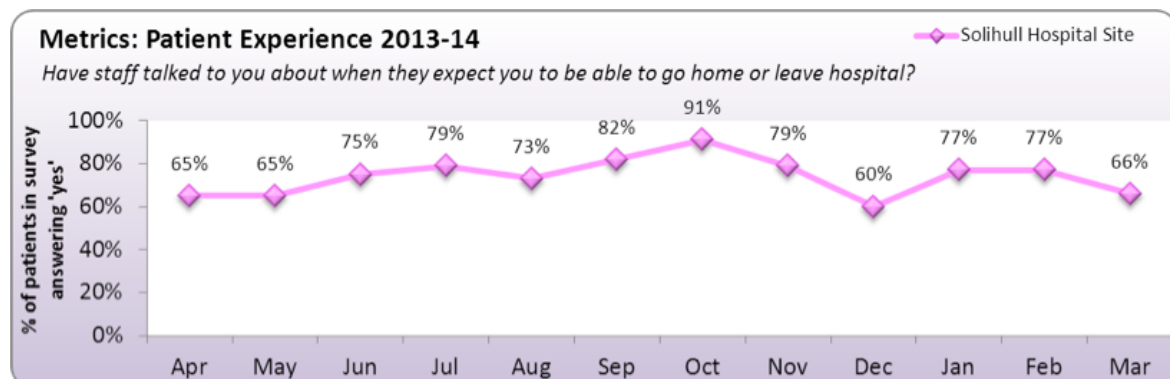
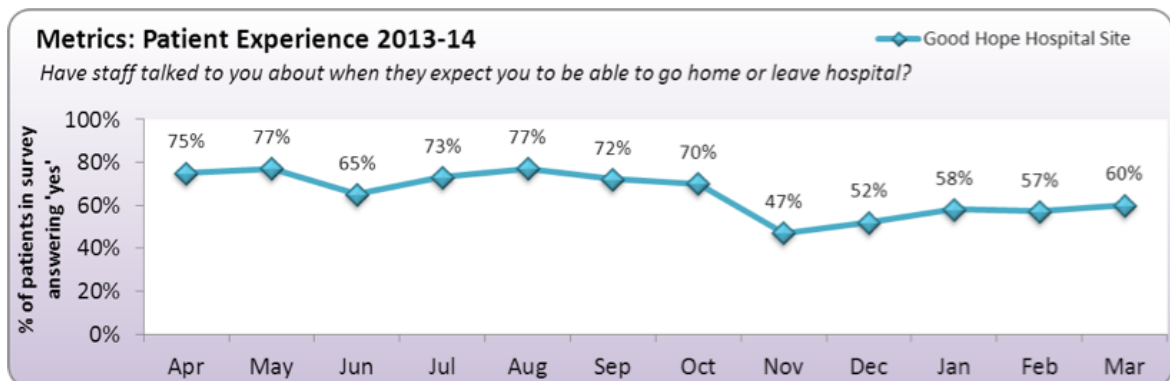
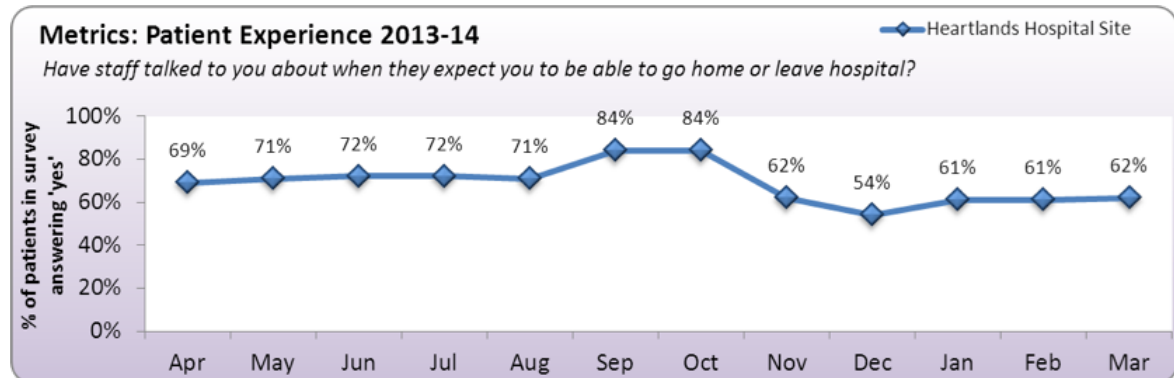
Flow: All wards should have capacity to "pull" a minimum of 1 patient from the assessment areas by 9am;

Early discharge: Wards teams should ensure that 50% of the total ward discharges have left the ward by 12 noon;

Review: Patients whose length of stay exceeds a 14 days will be reviewed weekly by a Site Team in collaboration with the Directorate and for the Hospital Discharge Hub.

Future plans for improvement:

The Trust is aiming to increase the patient experience metrics relating to patients knowing when they are going home and although the Trust had seen an increase in performance, this deteriorated over the latter part of the year. The rationale for the Trust-wide dip in performance is currently unclear however, it is likely that this is due to data collection issues. The Trust is currently embedding a care bundle approach called SAFER⁶ which comprises of a number of key actions to minimise delays, proactively plan discharge and create hospital flow. This is still a very new initiative and therefore performance indicators are not yet available. However, these will be developed in year to track progress with performance.



Launch of first of its kind Cedarwood Rehabilitation Service

Good Hope Hospital has been working with local provider, Midland Heart, to provide a new and unique service to act as a stepping stone for patients who are ready to be discharged but not ready to return home.

Based on ward 26 of the Sheldon Unit, the service consists of 29 private, modern and comfortable bedrooms, a garden, communal area and restaurant bringing together independent living with support services.

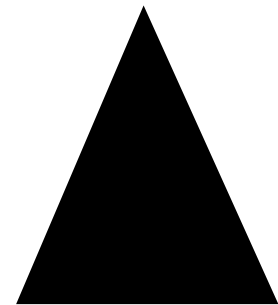
Focusing on a person-led care plan, it enables older patients to re-familiarise themselves with essential personal skills required to help them live independently, reducing the chances of readmission to hospital once discharged.

Trust chief executive, Mark Newbold and experienced TV presenter, Esther Rantzen CBE, were present to open the fantastic new facility early in 2014. There were over 100 attendees at the event who were given the opportunity to take a tour of the facility and meet some of the patients and see the changes it has helped to instigate in their lives.

Esther Rantzen CBE, said: "Older people can sometimes feel that it's not safe to go back home, not feel able to go home or not want to be home alone. Here, we have a rehabilitation facility which has worked due to collaboration by practical people who know how to make an idea become reality."

Liz Hamilton, capacity site lead, said: "The Cedarwood Service offers a great example as to how hospitals are looking at alternative solutions with the resources available to them. We need to use our budgets to the best effect and continuing to provide life-saving services is essential. Lack of beds is a major problem, but Cedarwood will enable continuation of care in line with a patient's requirements without compromising welfare."

Referrals to the short-term accommodation facility will be delivered through a dedicated assessment team working with Healthcare at Home's Care Bureau.



"Cedarwood offers a great example as to how hospitals are looking at alternative solutions with the resources available to them."

Part 2:

Looking forward: Priorities for Quality Improvement 2014/15

Looking forward, the Executive Management Team has decided to continue looking at all seven priorities during **2014/15** with the agreement of the Governors' Patient Experience Committee (a subcommittee of the Council of Governors which includes public, patient and staff governors), following consideration of performance in relation to patient safety, patient experience and effectiveness of care. This will ensure that quality will continue to be measured, maintained and developed in all of these priorities and enable comparison against progress.



Part 2:

Looking Back: Review of Services/ Statements of Assurance from the Board

The Quality Account & Report has the dual function of looking backwards and forwards. This section includes statements which are mandated by the Department of Health. 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; and
- Involved in national projects and initiatives aimed at improving quality.

The data reviewed covers the three dimensions of quality which are patient safety, clinical effectiveness and patient experience and this objective has not been impeded due to availability of data.

Service Income

During 2013/14 the Heart of England NHS Foundation Trust provided and / or sub-contracted 81 relevant health services.

The Heart of England NHS Foundation Trust has reviewed all the data available to them on the quality of care in all of these relevant health services.

The income generated by the relevant health services reviewed in 2013/14 represents 100% per cent of the total income generated from the provision of relevant health services by the Heart of England NHS Foundation Trust for 2013/14.

Clinical Audit

During 2013/14, 32 national clinical audits and four national confidential enquiries covered relevant health services that Heart of England NHS Foundation Trust provides.

During 2013/14 Heart of England NHS Foundation Trust participated in 97% national clinical audits and 100% national confidential enquiries of the national clinical audits and national confidential enquiries which it was eligible to participate in.

The national clinical audits and national confidential enquiries that Heart of England NHS Foundation Trust was eligible to participate in during 2013/14 are as follows (Table 1):

Table 1: National Clinical Audits and National Confidential Enquiries

Audit Title	Participation in 2013-2014	Submission %
1.Acute coronary syndrome or Acute myocardial infarction (MINAP National Institute for Cardiovascular Outcomes Research)	Yes	100%
2.Adult Cardiac Surgery (National Institute for Cardiovascular Outcomes Research)	Not applicable to the Trust	
3.Adult Critical Care (Intensive Care National Audit and Research Centre)	Yes	100%
4.Bowel Cancer (National Bowel Cancer Audit Programme) (NHS Information Centre)	Yes	100%
5.Cardiac Arrhythmia (HRM National Institute for Cardiovascular Outcomes Research)	Yes	100%
6.Chronic Obstructive Pulmonary Disease (COPD) (Royal College of Physicians)	Yes	100%
7.Congenital heart disease (Paediatric cardiac surgery) (National Institute for Cardiovascular Outcomes Research)	Not applicable to the Trust	
8.Coronary Angioplasty (National Institute for Cardiovascular Outcomes Research)	Yes	100%
9.Diabetes (Adult) (NHS Information Centre)	Yes	100%
10.Diabetes (Paediatric) (Royal College of Child Health and Paediatrics)	Yes	100%
11.Elective surgery (National PROMS Programme)	Yes	100%
12.Emergency use of oxygen (British Thoracic Society)	Yes	100%
13.Epilepsy 12 (Childhood Epilepsy) (Royal College of Child Health and Paediatrics)	Yes	100%
14.Falls and Fragility Fractures Audit Programme (FFFAP Royal College of Physicians)	Yes	100%
15.Head and neck oncology (DAHNO NHS Information Centre)	Yes	100%
16.Heart failure (National Institute for Cardiovascular Outcomes Research)	Yes	100%
17.Inflammatory bowel disease (Royal College of Physicians)	Yes	100%
18.Lung cancer (NLCA NHS Information Centre)	Yes	100%
19.Moderate or severe asthma in children (care provided in Emergency Departments - College of Emergency Medicine)	Yes	100%
20.National Audit of schizophrenia (Royal College of Psychiatrists)	Not applicable to the Trust	
21.National audit of Seizure Management (NASH University of Liverpool)	Yes	100%
22.National Cardiac Arrest Audit (Intensive Care National Audit and Research Centre ICNARC)	Yes	100%
23.National comparative audit of blood transfusion (NHS Blood and Transport)	Yes	100%
24. National emergency laparotomy audit (NELA Royal College of Anaesthetists)	Yes	100%
25.National joint registry (National Joint Registry Centre)	Yes	100%
26.National Vascular Registry (Royal College of Surgeons)	Yes	100%
27.Neonatal intensive and special care (NNAP Royal College of Child Health and Paediatrics)	Yes	100%
28.Oesophago-gastric cancer (NAOGC Royal College of Surgeons)	Yes	100%
29.Paediatric asthma (British Thoracic Society)	Yes	100%
30.Paediatric Intensive Care (PICANet)	Not applicable to the Trust	
31.Paracetamol overdose (care provided in emergency in emergency departments)(College of Emergency Medicine)	Yes	100%
32.Prescribing Observatory (Royal College of Psychiatrists)	Not applicable to the Trust	
33.Renal replacement therapy (Renal Registry) (NHS Blood and Transplant, Organ Donation and Transplantation Directorate)	Yes	100%
34.Rheumatoid and early inflammatory arthritis	Yes	ongoing
35.Sentinel Stroke National Audit Programme (SSNAP Royal College of Physicians)	Yes	~50%
36. Severe sepsis & septic shock (College of Emergency Medicine)	Yes	100%
37. Severe Trauma (Trauma Audit and Research Network TARN)	Yes	100%
38. Paediatric Bronchiectasis (British Thoracic Society)	No - audited locally	
39. Child health programme	Not applicable to the Trust	
40. Maternal infant and newborn clinical outcome review programme MBRRACE-UK	Yes	100%
41. Medical and surgical programme NCEPOD		
Ⓢ NCEPOD – Tracheostomy Care Study	Yes	100%
Ⓢ NCEPOD – Lower Limb Amputation Study	Yes	100%
Ⓢ NCEPOD – Gastrointestinal Haemorrhage Study	Yes	100%
42.Mental Health programme NCISH	Not applicable to the Trust	

The national clinical audits and national confidential enquiries that Heart of England NHS Foundation Trust participated in, and for which data collection was completed during 2013/14, are listed in the third column in Table 1 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.

Reviewing Reports of National and Local Clinical Audits

The reports of 21 national clinical audits were reviewed by the provider in 2013/14 and Heart of England NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided:

- Following participation in the Acute Coronary Syndrome audit, the organisation has undertaken a process mapping session to increase efficiency around the process. The Coronary Angioplasty audit has resulted in the Trust continuously liaising with ambulance staff to improve its processes as well as build a Day Case Unit to treat and transfer patients;
- The Heart Failure audit has highlighted the need to improve data submitted from Good Hope Hospital, thus a dedicated Specialist Registrar will have time built in on a weekly basis to capture all relevant cases;
- Following participation in the Oesophago-gastric Cancer audit, the Trust continues to conduct internal audits targeting mortality surrogate markers as well as review outcome data regularly;
- The Epilepsy 12 audit has resulted in the Trust updating its guidelines to increase the number of children receiving an ECG and MRI for convulsive episodes, as well as introducing targeted discussions at junior doctor teaching sessions;
- To ensure that regular data is fed into the National Joint Registry, a dedicated clerk has been put in place to input forms collected from the wards and the process is being assessed monthly;
- The Hip Fracture Database performance figures continue to be discussed at monthly directorate meetings. Following a job planning exercise, the Trauma and Orthopaedic trainees have been reconfigured to support the orthogeriatrician so that more sessions can be provided which has resulted in a weekday 9am-5pm service;
- As a result of the Trauma audit, the Trust has issued training and posters for staff around the risk of under-triaged patients and when to activate the trauma team;
- The Fractured Neck of Femur audit has seen improvements to the assessment system in order to facilitate rapid administration of analgesia. Also, a receptionist has been secured for six months to address winter pressures from 10am to midnight during Monday to Friday, to ensure Ambulance Staff presenting patients with suspected fractured neck of femur are seen as a priority;
- Following participation in the Fever in Children audit, a traffic light system has been implemented successfully. Also learning from the audit has been disseminated throughout the organisation through posters and risky business forums for staff; and
- The Renal Colic audit has highlighted the importance of pain scores, repeat pain scores and appropriate analgesia which have all been included in the regular Emergency Department staff education programme.

The reports of 94 local clinical audits were reviewed by the provider in 2013/14 and Heart of England NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided:

- An audit into the use of Propess versus Prostin has resulted in the Trust's Induction of Labour guideline being updated;
- Following an audit of consent for elective caesarean section, the need for a standardised consent form was highlighted. This is currently being developed by the organisation's Stepps Programme;
- A case review of patients admitted with a stent thrombosis, revealed that improvements could be made with regards to stents. The April lesson of the month initiative was used to publicise the key issues. The anti-platelet card has been reintroduced and each operator's case is analysed through regular mortality and morbidity meetings;
- An audit into the management of sepsis in acute medical admissions has resulted in targeted training on sepsis for junior doctors as well as issuing quick reference sepsis 6 guidance cards and keychains;
- Following an audit into preventing wrong site surgery in Radiology, useful learning has been presented at the directorate audit meeting;
- An audit into the initial management of vulval cancer has ensured that the guidelines are available to staff in various formats to ensure referral practices and processes for documenting locations of biopsy sites is followed;
- A case review of patient with negative laparoscopies for ectopic pregnancy has resulted in the Ectopic Pregnancy Guideline being revised;
- The joint British HIV Association (BHIVA)/British Association of Sexual Health and HIV (BASHH) national clinical audit of HIV partner notification has identified the need to develop a brief protocol for partner notification in HIV which is under development;
- The findings from inpatient amputation mortality audit have been disseminated amongst vascular anaesthetists and surgeons to further reduce mortality; and
- Two audits against care quality in rheumatoid arthritis have identified the need to complete annual health assessment questionnaires for all suitable patients, and to improve documentation of Disease Activity Score 28 score in patients at each clinic visit.

Research

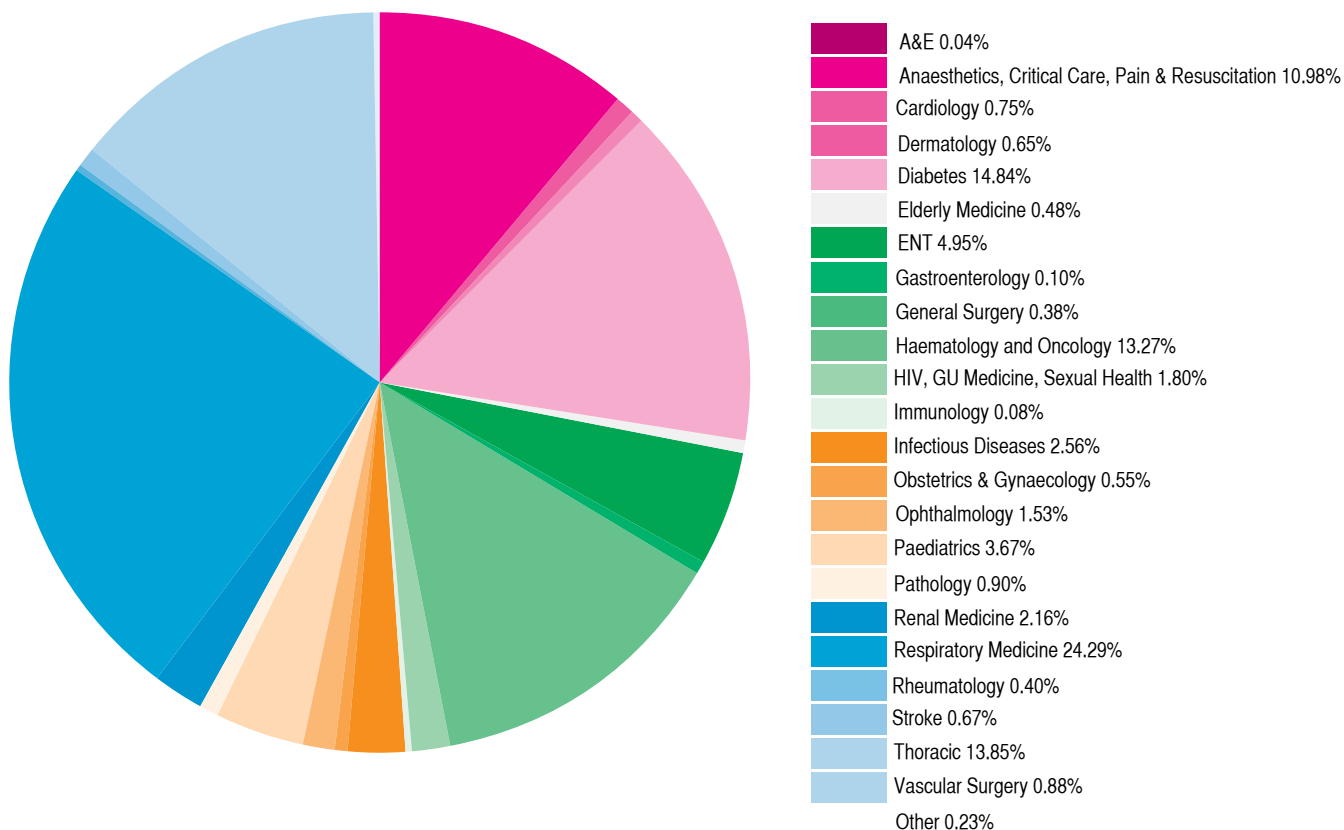
Over 400 research projects are being undertaken across the Trust in various stages of activity from actively recruiting patients into new studies to long-term follow-up. There are 23 departments across the Trust currently taking part in research with between one and six research active consultants in each of these areas. The number of patients receiving relevant health services provided or sub-contracted by the Trust in 2013/14 that were recruited during that period to participate in research approved by the Research Ethics Committee was 5,626 patients in 2013/14. This was compared with 4,013 in 2012/13, an increase of 28%.

Clinical trials are the largest research activity performed at the Trust, in terms of project numbers. The Trust has a mixed portfolio of commercial studies and academic studies, the majority of which are adopted on to the National Institute for Health Research (NIHR) portfolio.

Non-portfolio work is also undertaken and this comprises commercial clinical trials, student-based research or pilot studies for future grant proposals. Patient recruitment is highest in anaesthetics, pain, critical care and resuscitation, diabetes, haematology and oncology, respiratory medicine and thoracic surgery.

Over the last 12 months the Trust has doubled its recruitments into NIHR portfolio adopted trials, with significant increase in research undertaken in ENT (Ear Nose and Throat), Infectious Diseases and Paediatrics. Taking total research activity as the indicator, in England in 2012/13 the Trust was ranked 5/42 for large acute hospitals in the Guardian Research Table (an improvement of three places from 2011/12) and 24/69 for all large acute hospitals and teaching hospitals in (an increase of seven places). The Trust also has considerable activity in non-NIHR commercial trials that is not reported by the Guardian table.

The Trust's Research Portfolio by Directorate



In 2013/2014 research grants totalling nearly £14 million were applied for, with the Trust being the lead applicant. From this funding of £1.5 million was awarded, with decisions still awaited on £8m worth of funding applications. Funding is predominantly from NIHR funding streams, although some funding has been secured from charities. Funding success has been seen in a variety of directorates and also in the awarding of fellowships for Trust clinical staff to develop their own research careers.

In addition, numerous local projects are undertaken by junior doctors, nurses, midwives and allied health professionals, under the supervision of experienced research staff. These projects are vital for the professional development of staff and encouraging and developing the researchers of the future, for changing practice and also in the potential of findings being used for further, larger research projects.

In addition to clinical trials, the Trust hosts academic appointments in partnership with three local Universities; Universities of Birmingham, Warwick and Aston. The Trust continues to be ambitious to increase research activity, recognising that improved care and better outcomes are strongly associated with research active institutions.

In July 2013, the Trust invested £3 million over three years in research. This investment shows the commitment and importance the Trust places on research and development in shaping the treatments, services and choices available to its patients.



Commissioning for Quality and Innovation (CQUINs)

A proportion of the Trust's income in 2013/14 was conditional upon achieving quality improvement and innovation goals agreed between the Trust and any person or body they entered into a contract, agreement or arrangement with for the provision of relevant health services, through the Commissioning for Quality and Innovation (CQUIN) payment framework.

Further details of the agreed goals for 2013/14 and for the following 12 month period are available by contacting the Head of Performance at the Trust. The CQUINs value within the contract was £12.6 million of the Trust's income in 2013/14 (based on 2.5% of the contract value of £550 million). For 2012/13 the figures were £12.2 million (based on a contract value of £536 million). The CQUIN goals were agreed jointly by the Trust and its commissioners. The Acute, Specialised Services, Community Services and Public Health Contract included the following CQUINs:

Acute Contract

Goal Number	Performance Indicator	Agreed Target	HEFT Achievements
1.1 Friends and Family Test – Phased Expansion	Delivery of friends and family roll out for Maternity Services by end of October 2013.	Not applicable	CQUIN Achieved
1.2 Friends and Family Test – Increased Response Rates	Provider to achieve an increase in response rate that improves on Q1 and is 20% or over for A&E and Inpatients combined.	20% by year end	17.42%
1.3 Friends and Family Test – Improved Performance	Improved performance or remaining in the top quartile on the Staff Friends and Family Test.		CQUIN Achieved
2 NHS Safety Thermometer Pressure Ulcer Reduction	Demonstrable reduction in the number of grade 2, 3 and 4 avoidable ulcers using NHS Midlands and East definition of avoidable pressure ulcers.	Trajectory set for no more than 4% grade 3,4 avoidable pressure ulcers at end Q4 2013/14	4.40%
3.1a - Dementia Screening	% of all patients aged 75 and over who have been screened following admission to hospital, using the dementia screening question.	90%	69.50%

3.1b - Dementia Assessment	% of all patients aged 75 and over who have been screened as at risk of dementia, who have had a dementia risk assessment within 72 hours of admission to hospital, using the hospital dementia risk assessment tool.	90%	92.30%
3.1c - Dementia Referral	% of all patients aged 75 and over identified as at risk of having dementia referred for specialist diagnosis.	90%	68.80%
3.2 Dementia – Clinical Leadership	Completion of planned training programme and confirmation of named clinician by end of the year.	Not applicable	CQUIN Achieved
3.3 Dementia – Supporting Carers of People with Dementia	Completion of monthly audit of carers of people with dementia to test whether they feel supported and report the results to the Board.	Not applicable	Due to poor response rates to the two surveys undertaken this was not taken forward
4.1 VTE – Risk Assessment	% of all adult patients who have had VTE risk assessment on admission to hospital using the clinical criteria of the national tool.	95%	92.45%
4.2 VTE – Root Cause Analysis	The number of root cause analyses carried out on hospital associated thrombosis.	Not applicable	All RCA Cases recorded on VTE database
5 Falls Inpatients and A&E	Patients are identified as fallers and referred appropriately to reduce risk of future fall to prevent harm.	Not applicable	Out of 7 potential indicators for the Falls CQUIN, 3 have been fully met.
6 – Facilitated Discharge	Improved discharge planning for patients from hospital to home or community care.	Not applicable	CQUIN Achieved
7 - End of Life (EOL)	Appropriate use of EOL pathways and improving the patient and carer experience of EOL and bereavement pathways.	Not applicable	CQUIN Achieved
8 – Surgical Site Infection Surveillance	The number of patients identified with a post operative surgical site infection.	Not applicable	CQUIN Achieved

Community Services Contract

Goal Number	Performance Indicator	Agreed Target	HEFT Achievements
1 - NHS Safety Thermometer Pressure Ulcer Reduction	Demonstrable reduction in the number of grade 2, 3 and 4 avoidable ulcers using NHS Midlands and East definition of avoidable pressure ulcers.	Trajectory set for no more than 4% grade 3,4 avoidable pressure ulcers at end Q4 2013/14	5.90%
2 – End of Life/ Bereavement	Improving the patient and carer experience of end of life care through community supportive care pathway, having named district nurse, advanced care planning (ACP) and improving the data quality to help commissioners understand why patients are not referred onto supportive pathways.	Q3 80% Q4 95%	Q3 target met. Q4 target not achieved
3 – Stay Healthy at Home	Assessment of risk factors in patients home which may affect their health.	95%	83%
4 – Patient Engagement	Developing opportunities for frail, elderly patients to provide feedback on Community Nursing services they have received and influence.	Not applicable	CQUINN on track for year end milestones

Specialised Services Contract

Goal Number	Performance Indicator	Agreed Target	HEFT Achievements
1 Friends and Family Test – Increased Response Rates	Provider to achieve an increase in response rate that improves on Q1 and is 20% or over for A&E and Inpatients combined.	20% by year end	17.42%
2 - NHS Safety Thermometer	To reduce harm. The power of the NHS Safety Thermometer lies in allowing front-line teams to measure how safe their services are and to deliver improvement locally.	Not applicable	All submissions made on time as required.
3.1a - Dementia Screening	% of all patients aged 75 and over who have been screened following admission to hospital, using the dementia screening question.	90%	69.50%
3.1b - Dementia Assessment	% of all patients aged 75 and over who have been screened as at risk of dementia, who have had a dementia risk assessment within 72 hours of admission to hospital, using the hospital dementia risk assessment tool.	90%	92.35%
3.1c - Dementia Referral	% of all patients aged 75 and over identified as at risk of having dementia referred for specialist diagnosis.	90%	68.80%
4 -VTE Risk Assessment	% of all adult patients who have had VTE risk assessment on admission to hospital using the clinical criteria of the national tool.	95%	92.30%

5 - Specialised Services Quality Dashboards	Quarterly submission of Clinical Dashboards for Specialised Services.	Not applicable.	All dashboards submitted on time
6 – Renal Dialysis RPV	<p>This CQUIN measures the number of patients under the care of a renal unit who are registered with Renal Patient View.</p> <p>It also measures the rate of use of Renal Patient View as a proportion of the number of patients under the care of a renal unit.</p>		CQUIN achieved
7 - Neonatal Intensive Care (NIC)	<p>Percentage of pre-term babies who are fed on mother's breast milk at discharge from neonatal unit.</p> <p>Neonatal Intensive Care (NIC) – Timely administration of total parenteral nutrition in pre-term infants (TPN)</p> <p>Neonatal intensive care (NIC) – Retinopathy of prematurity (ROP) screening.</p>		CQUIN achieved
8 –BMT Donor Acquisition	This is a single CQUIN made up of four elements aimed at gaining a better understanding and improvement of a number of processes used to identify unrelated donors.		CQUIN achieved
9 – HIV Registration and Communication with GPs	To increase the role of primary care in the care of HIV patients.		CQUIN achieved

The CQUIN for the dementia case finding question is part of a national CQUIN scheme, and was rated red for 2013/14 as the target was not achieved by the Trust.

Following the roll out of mandating the case finding question on the relevant electronic system in Autumn 2013, incremental improvements were made month on month, but these were not enough to meet the target.

Dementia case finding will be highlighted to all Operational Managers, Associate Medical Directors and Clinical Directors. This will emphasise the clinical needs driving the CQUIN. A standardised clerking document is being agreed with acute medicine and Emergency Department to improve performance. For 3.1c there is a historical problem in collecting data held by Birmingham and Solihull Mental Health Trust (BSMHT). This is part of a local work stream with the Rapid Assessment, Interface and Discharge (RAID) team. Efforts continue to connect the RIO IT system (Mental Health Electronic Patient Record System) used by BSMHT and Icare (the Trust patient information management system).

The dementia CQUIN has been carried over nationally for 2014/15, and as such, progress will be reported on in the 2014/15 Quality Account & Report.

Please see the national quality indicators for information on VTE and the Falls Priority for further information as to plans to improve the VTE and Falls CQUIN.

Care Quality Commission

Heart of England NHS Foundation Trust is required to register with the Care Quality Commission (CQC) and its current registration status is registered with some compliance actions. The Trust has compliance conditions relating to Regulations 9, 22 and 23.

The CQC has not taken enforcement action against Heart of England during 2013/14.

The Trust was subject to two unannounced inspections during 2013/14:

May 2013

This inspection took place at Good Hope Hospital and was a follow up from the visit in February 2013 when the Trust was found to be non compliant with Regulation 17 (respecting and involving services users) and Regulation 19 (Complaints). Following the visit in May, the Trust was found to be compliant with both of these regulations. The final report is available on the CQC website www.cqc.org.uk.

November 2013

In November 2013, the Trust received a new CQC style inspection. The announced inspection took place over a week-long period on the three main acute sites (Birmingham Heartlands Hospital, Good Hope Hospital and Solihull Hospital). This was followed by a series of unannounced inspections to the above sites. A quality summit took place with the CQC and various stakeholders prior to the publication of the final report.

The outcomes, included in the final reports, are summarised as follows:

Warning Notice (Regulation 10) - Good Hope Hospital:

Concerns were raised regarding triage in A&E, checking of resuscitation equipment in A&E, patient pathways in the Clinical Decisions Unit and medicines storage in the assessment unit.

Compliance actions - (Regulation 9) - Heartlands and Good Hope Hospitals:

People who use services were not protected against the risks of receiving treatment that is inappropriate or unsafe as there was no timely assessment of the needs of the person using the service. The planning and delivery of care did not always occur in the A&E department to ensure that the patient's basic needs were attended to.

Compliance actions – (Outcome 23) - Heartlands, Solihull and Good Hope Hospitals:

Staff were not able to receive appropriate training and professional development to improve the care for patients due to pressures on their nursing time.

Compliance actions – (Outcome 22) – Heartlands Hospital:

Patients did not always have their health, safety or welfare needs met due to the lack of sufficient numbers of staff on duty.

The Trust provided four action plans to the CQC and to Monitor in response each of the sets of compliance actions raised in the reports. These action plans are monitored by the Executive Management Team.

The Trust was one of three first wave Trusts to receive a CQC rating for its services. The ratings identified for A&E services at Good Hope hospital as a result of the Warning Notice was 'Inadequate' for safe, caring and responsive. As a result of the CQC follow up visit this was revised to 'Requires Improvement'.

In February 2014, the CQC completed a follow up visit to Good Hope Hospital relating to the concerns raised in the Warning Notice. The CQC report has been received by the Trust and it confirmed that significant improvements have been made. The CQC report stated that:

- Significant improvements had been made in A&E to the process of streaming patients. Effective action had been taken to ensure that patients were assessed by a healthcare professional within 15 minutes of arrival;
- The process of risk assessment had been changed. This meant that all patients had a nursing risk assessment completed within two hours of arrival. When risk was identified 'intentional rounding' was commenced; and
- At this inspection we found that the hospital had good systems in place to ensure that medications were stored in line with national guidance. We found that a regular team of staff were allocated to the ward area ensuring greater continuity of care. We found that the resuscitation trolley was appropriately stocked and that patients had sufficient furniture to meet their needs. Audits were undertaken and effective systems were in place to identify risks.

The CQC have confirmed that no further action will be taken in relation to the Warning Notice.

The Trust participated in a special review by the CQC relating to a 'review of services for looked after children and safeguarding in Solihull'. The Trust is contributing to the health economy action plan to address the issues raised by the CQC.

The CQC has replaced its Quality and Risk profiles for Trusts with 'Intelligent Monitoring Reports'. In March 2014, the Trust had seven 'risks' and six 'elevated risks' which are outlined in the table below.

Elevated Risk	Dr Foster Intelligence: Composite of Hospital Standardised Mortality Ratio indicators
Elevated Risk	Composite indicator: In-hospital mortality - Genito-urinary conditions
Elevated Risk	PROMs EQ-5D score: Hip Replacement (PRIMARY)
Elevated Risk	Monitor - Governance risk rating
Elevated Risk	NHS Staff Survey - KF10. The proportion of staff receiving health and safety training in last 12 months
Elevated risk	Whistle blowing alerts
Risk	Never Event incidence
Risk	Proportion of patients risk assessed for Venous Thromboembolism (VTE
Risk	Composite indicator: In-hospital mortality - Cardiological conditions and procedures
Risk	Composite indicator: In-hospital mortality - Haematological condition
Risk	Maternity Survey 2013 C12 "Did the staff treating and examining you introduce themselves?" (Score out of 10)
Risk	Composite indicator: A&E waiting times more than four hour
Risk	GMC - Enhanced monitoring

Progress against these risks will be monitored by the Quality and Risk Committee.

Data Quality

The Trust submitted records during 2013/2014 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:

- Admitted patient care: 99.90%;
- Outpatient care: 99.49%;
- Accident & Emergency care: 96.69%.

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

- Admitted Patient Care: 99.96%;
- Outpatient Care: 99.97%;
- Accident & Emergency care: 99.29%.

Information Governance Toolkit

Heart of England NHS Foundation Trust Information Governance Assessment Report overall score for 2013/14 was 70% and was graded Green.

The following table includes details of Information governance Level 2 incidents reported in year:

SUMMARY OF SERIOUS INCIDENTS REQUIRING INVESTIGATIONS INVOLVING PERSONAL DATA AS REPORTED TO THE INFORMATION COMMISSIONER'S OFFICE IN 2013-14				
Date of incident (month)	Nature of incident	Nature of data involved	Number of data subjects potentially affected	Notification steps
November 2013	Unauthorised access/disclosure	Clinical information	<10	Individuals were aware of breach
Further action on information risk		The Trust is reviewing its access to patient systems and is continuing to ensure that all members of staff are aware that they must not access records without a legitimate reason. The member of staff responsible for this incident received a final written warning.		
December 2013	Unauthorised access/disclosure	Clinical information	<10	Individuals were aware of breach
Further action on information risk		The Trust is reviewing its access to patient systems and is continuing to ensure that all members of staff are aware that they must not access records without a legitimate reason. HR Investigation is in progress.		
December 2013	Disclosed in error	Name, address, date of birth, NHS number, GP practice code.	50	Individuals were notified by post
Further action on information risk		Changes to systems for contacting patients were introduced. An audit will be undertaken of the Information Governance arrangements in place.		
February 2014	Unauthorised access/disclosure	Clinical information	<10	Individuals were aware of breach
Further action on information risk		The Trust is reviewing its access to patient systems and is continuing to ensure that all members of staff are aware that they must not access records without a legitimate reason. HR Investigation is in progress.		
February 2014	Unauthorised access/disclosure	Clinical information	<10	Investigation still ongoing
Further action on information risk		The Trust is reviewing its access to patient systems and is continuing to ensure that all members of staff are aware that they must not access records without a legitimate reason. HR Investigation is in progress.		

Clinical Coding Error Rate

Heart of England NHS Foundation Trust was subject to the Payment by Results clinical coding audit during the reporting period by Capita under the current Audit Commission framework and the error rates reported in the 2012/13 published audit for diagnoses and treatment coding (clinical coding) was:

	% procedures coded incorrectly		% diagnoses coded incorrectly		% spells changing HRG
	Primary	Secondary	Primary	Secondary	
Overall	19.3	18.6	13.9	18	8.8%

The specialties audited were 100 Finished Consultant Episodes (FCE) related to zero length of stay, 55 FCEs in HB non trauma orthopaedic procedures, 20 FCEs in HB61C Major Shoulder and Upper Arm procedures, 30 FCEs in EA36A Cardiac Catheters, 20 FCEs in BZ23Z vitreous retinal procedures selected from our quarter 1 data submissions.

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

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

1. In 2012/13 the Trust's average HRG error rate is 8.8 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, to 11% in 2011/12.
2. The report made two recommendations relating to an internal audit programme and training of coders in extraction of information from systems.
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 2012/13, as well as auditing inpatients, the Audit Commission also looked at coding in Accident & Emergency and Outpatient Attendances. Coding for these areas do not sit under Clinical Coding and are owned by each area.

A&E results were:

Attendances tested	% attendances changing payment	% investigation codes incorrect	% treatment codes incorrect
150	18.0	11.2	21.8

Outpatient results were:

Attend- ances tested	Procedure coding					Other data items		
	% attend- ances changing payment	Attend- ances with tariffed HRGs	% HRGs changing	% procedure codes incorrect	% attended flag incorrect	% first / follow incorrect	% TFCs incorrect	% age incorrect
150	8.7	30	15.3	38.3	0.0	3.3	0.0	0.0
30	3.3	30	3.3	42.3	0.0	0.0	0.0	0.0

In 2013/2014 the specialties audited were 100 Finished Consultant episodes (FCEs) relating to Vascular Surgery and 100 FCEs from the Healthcare Resource Group (HRG) LB Urological and Male Reproductive System Procedures and Disorders from the August – October data submissions.

The 2013/14 audit was performed 17th – 19th February 2014. The final results for this audit will be available in June 2014.

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

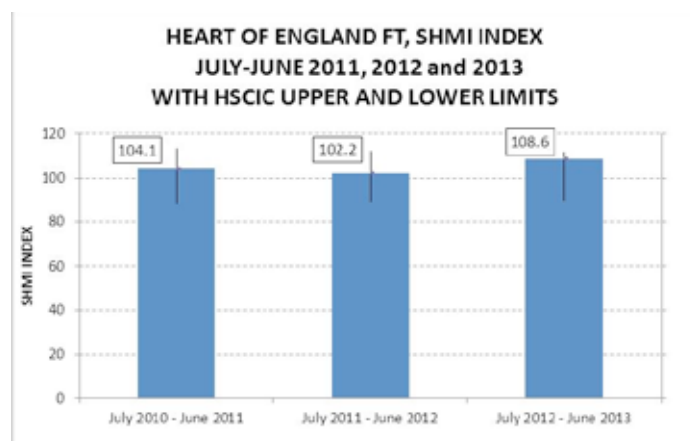
- A suite of measures known as the Data Quality Health Check which identifies areas of poor performance are reported on a weekly basis to a range of operational and managerial staff throughout the Trust. Data Quality also forms part of monthly Directorate reports and has been a standing agenda item on performance meetings with action plans in place to improve on performance;
- Reports monitoring the timeliness against the new target of within 2 hours for Admissions, Discharges and Transfers (ADT) have been set up with links on the Data Quality sharepoint site for use by all operational inpatient areas. A monthly Data Quality ADT matrix report detailing the top three areas of concern across all divisions is reported monthly to Matrons and Lead Nurses and is monitored via the Nursing and Midwifery Performance Committee;
- The Trust has introduced electronic discharge letters to GP practices for Outpatient attendances, ensuring that patient correspondence is sent to the correct GP practice. This helps with timeliness and reduces the misdirected mail returned to the Trust;
- The Data Quality Strategy is currently in draft and the terms of reference and membership of the Data Quality Project Board are currently being reviewed; this Board focuses on areas of concern requiring improvement in data quality; and
- The Trust employs a team of Data Quality staff within the Performance department who 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.

National Quality Indicators

Indicator	Jan 2012 - Dec 2012	Apr 2012 - Mar 2013	Trust performance Latest Jul 2012 - Jun 2013	National Average	Lowest reported Trust	Highest Reported Trust
The value and banding of the summary hospital-level mortality indicator ("SHMI") for the trust for the reporting period	1.0296 (Band 2)	1.0787 (Band 2)	1.0855 (Band 2)	1.0007	0.6259 (Band 3)	1.1563 (Band 1)
The percentage of patient deaths with palliative care coded at either diagnosis or specialty level for the trust for the reporting period	16.7%	11.8%	10.6%	20.5%	0.0%	44.1%

The Heart of England NHS Foundation Trust considers that this data is as described for the following reasons:

The SHMI is provided by the Health and Social Care Information Centre. During the period February to May 2013 the Trust experienced a spike in hospital mortality which is reflected by the rise in SHMI. However despite this rise the SHMI remains within the 'expected band' (band 2). Prior to this rise the SHMI was also within the expected band 2 in the previous two years as below.



The SHMI is a complex measure and can be influenced by many factors. During the period in question there was:

- A marked increase in 'winter pressures' on the Trust as reflected in a deterioration in the four hour ED performance standard;
- A rise in influenza cases across the health economy;
- An increase in the number of elderly patients admitted- who are generally the sickest of our patients - often with complex co-morbidities.;
- During late 2012, and into 2013, a significant reduction in patients coded as palliative care; and
- Admission avoidance schemes introduced, so only the sicker patients were admitted (with an attendant impact on case mix).

However in spite of these factors the Trust is not complacent and to further understand the root causes of this rise at a patient level, the Trust conducted in-depth case note reviews and data analysis. No obvious patterns of concern for inpatient care were identified; however as a Trust that is focused on reducing both avoidable harms and avoidable mortality we identified further opportunities for improvement and further analysis.

The Trust is taking the following actions to improve the SHMI figure and so the quality of its services by the actions identified below. This list is not exhaustive.

- In-depth case note review of a number of diagnostic groups such as pneumonia and acute myocardial infarction has been undertaken and action plans developed to address any areas or opportunities identified for improvement, continue to monitor, review and explore our mortality data to help focus any improvement activities including the trial of the CRAB data analysis tool;
- Recommencement of the deteriorating patient recognition group to review the care being provided to this group of patients along with compliance with the various care bundles including the sepsis bundle and MEWS escalation. This group has strong clinical representation;
- Enhanced access to non-invasive ventilation;
- Multiple initiatives aimed at improving the flow in the hospital and waiting times in the emergency department; and
- We are continuing to develop and strengthen our approaches to avoidable mortality over the forthcoming year.

The Trust considers that this data is as described for the following reasons:

- An internal process flaw which has resulted in a significantly lower number of Trust palliative care episodes recorded. This was discovered in April 2013.

The Trust has taken the following actions to improve this number and so the quality of its services, by:

- Validating the coding of patients who have received palliative care against those recorded on the system. Since this practice was introduced there has been an increase in the number and accuracy of palliative care episodes to levels seen prior to April 2012.

Patient reported outcome measures scores	Apr 11 - Mar12	Trust performance Latest Apr 12 - Mar 13	Trust performance Latest Apr 13 - Sept 13	National Average	Lowest reported Trust	Highest Reported Trust
(i) groin hernia surgery	0.089	0.093	0.128	0.085	0.019	0.138
(ii) varicose vein surgery	0.145	0.121	0.000	0.076	0.058	0.094
(iii) hip replacement surgery	0.374	0.396	0.439	0.447	0.373	0.545
(iv) knee replacement surgery	0.286	0.314	0.280	0.339	0.264	0.429

The Trust considers that this data is as described for the following reasons: It is published national data by HES online.

The Trust intends to take the following actions to improve these scores and so the quality of its services, by:

- Developing a PROMS reporting dashboard;
- Undertaking individual patient level analysis of the data to map back to specific consultants; and
- To improve compliance with rates with PROMs, performance particularly for varicose veins has dipped in the past few months by reinstating the operational delivery group.

Percentage of patients readmitted to a hospital which forms part of the trust within 28 days of being discharged from a hospital which forms part of the trust during the reporting period.	2009/10	2010/11	Trust performance Latest 2011/12	National Average	Lowest reported Trust*	Highest Reported Trust*
(i) 0 to 15	10.87%	11.39%	10.85%	10.01%	0.00%	13.65%
(ii) 16 or over	13.18%	14.06%	12.81%	11.45%	0.00%	17.15%

The Trust considers that this data is as described for the following reasons:

It is produced by the Health and Social Care Information Centre. The Trust notes that the data is two years old and although performance remains above the national average for both measures there was an improvement on the previous 12 months.

The Trust intends to take the following actions to improve this rate and so the quality of its services:

- Continue its work in relation to the improving discharge practice with a focus on providing the patient with a predicted date of discharge at the point of admission, to ensure patients are better prepared for discharge;
- To further explore the reason why the Trust remains a significant outlier for readmissions within one day;
- To continue review of counting and coding of activity to ensure that there are no errors in the collection of data and to ensure that there is clear understanding of how the admission of patients directly to an Acute Medical Unit at Solihull, rather than an A&E department impacts on our reported figures; and
- Undertake a focused review of specialties that are recognised outliers to address any clinical concerns.

Indicator	2009/10	2011/12	Trust performance Latest 2012/13	National Average	Lowest reported Trust	Highest Reported Trust
Trust's responsiveness to the personal needs of its patients during the reporting period	65.90	66.50	65.20	68.10	57.40	84.40

The Trust considers that this data is as described for the following reasons:

- The static nature of the scores demonstrates that the organisation has delivered to consistent levels. The Trust is one of the largest acute providers in the country and with this comes an incredibly diverse population, at Heartlands Hospital in particular.
- The data is reflective of the challenges of providing services in a large complex acute healthcare organisation with some very diverse needs amongst patient groups.

The Trust intends to take the following actions to improve this score and so the quality of its services, by:

- Review of current methods of patient experience data collection and simplification of the amount the Trust collects. Also in how this information is presented to local leads in a way that is meaningful. This will allow them the opportunity to fully understand what can be improved for patients and their carers;
- The Trust will develop its systems of reporting back to patients about actions implemented as a result of feedback they have provided. Bespoke action planning will therefore be developed in each area;
- More specifically Ward Sisters/Charge Nurses are becoming supervisory, which means they will no longer be included in the establishment for each shift. Patient experience measurement will also be installed as a key performance indicator for all ward leaders;
- Sisters/Charge Nurses are being provided protected time between 8am – 10am to allow them to have more face to face time with patients, their carers and relatives if needed. This will enable them to better understand and pro-actively ask about what is important to individual patients during their stay with the Trust; and
- To help the Trust better understand our local communities, a short film has been created, using contacts from our local communities which helps staff to understand issues they may not have understood about end of life and bereavement within the Islamic faith.

In addition the Trust has implemented the Safer Care Bundle which includes patient care and responsiveness to feedback.

Indicator	2011	2012	Trust performance Latest 2013	National Average	Lowest reported Trust	Highest Reported Trust
Friends and Family Test - Question Number 12d – Staff – The data made available by National Health Service Trust or NHS Foundation Trust by the Health and Social Care Information Centre ‘If a friend or relative needed treatment I would be happy with the standard of care provided by this organisation’ for each acute & acute specialist trust who took part in the staff survey.	54.57%	54.67%	55.81%	67.11%	39.57%	88.51%

The Trust considers that this data is as described for the following reasons:

- The current climate and challenges within the Trust and the NHS as a whole are having an impact on staff morale, and on their views and perceptions of the care delivered;
- The Trust has seen no significant change in its score on this data point from 2012. A number of initiatives were successfully launched, and continue to be embedded for sustainable change. However, in retrospect, the Trust believes the 2012/13 engagement approach may have focused too heavily on improving a small number of ‘hotspots,’ leading to minimal impact across the wider staff groups; and
- Having worked with staff during 2013 to understand the how their climate and challenges impact their engagement, the Trust believes it has a consistent picture of the key issues for staff in their delivery of consistent quality and safe care. The Trust’s Organisational Development (OD) plan for 2014 will focus around these themes, incorporating staff feedback on ‘how to do this better’.

The Trust has taken the following actions to improve this score and so the quality of its services, by:

- Development of a Trust-wide OD strategic plan, which for 2014/15 focuses on supporting the Trust's 'Safe & Caring' priority. The plan brings together the priority operational activities across the Trust which are fundamental to a Safe & Caring environment, and looks at ways of delivering these in a more engaging, involving and patient-centred way.
- Introduction of a Staff Engagement Steering Group – an active staff led group, looking at staff feedback via various survey routes, prioritising action areas and commissioning solutions.
- Support and thought-leadership from Professor Sir Muir Gray on creating a patient-centred culture.
- A focus on sustainable change around key pressure / conflict areas – Emergency pathways and flow. Introduction of the SAFER bundle, and focus on involvement and engagement.
- Raising Concerns: a programme to equip line managers with the skills and techniques to create and maintain safe environments, so that staff feel safe to speak out about any concerns they may have.
- Introduction of improved recruitment process including values based recruitment to ensure personal characteristics linked to positive patient experience are a key part of selection and development decisions, in addition to technical skills.
- Continued regular safety walkabouts that focus on patient and staff safety.
- The Trust's dedicated patient safety team continue to lead on innovative approaches to improve patient safety and support staff in the delivery of care, with growing recognition for their 'Lesson of the Month.'
- Continued development of the excellent education provision and curriculum to grow and develop staff.
- Increase the Trust responsiveness – introduction of the new quarterly Staff Friends & Family survey, and use of its more regular feedback to update and adapt engagement planning.

Indicator	Nov-13	Dec-13	Trust performance Latest Jan 14	National Average	Lowest reported Trust	Highest Reported Trust
Percentage of patients who were admitted to hospital and who were risk assessed for venous thromboembolism during the reporting period	93.90%	93.40%	92.28%	96.13%	74.65%	100.00%

The Trust considers that this data is as described for the following reasons:

The majority of failures of completion of the venous thromboembolism risk assessment (VTE RA) are due to patients with hospital attendances of less than 12 hours (64% in March 2014). These patients are often seen solely in areas where the Trust's electronic prescribing system (EP) is not instigated in the time the patient is in hospital. Most of this group of patients would automatically be assigned to a risk assessment not being required under current Trust policy but have not been identified as such. If this group of patients are identified prospectively as being excluded from the RA as per protocol, then our more recent percentage Risk Assessment completed would be greater than 95%.

Of the patients whose admission is greater than 12 hours, a proportion were admitted to wards which were also not using the trusts EP system which automatically prompts users to perform the VTE RA.

The Trust has taken the following actions to improve this percentage, and so the quality of its services, by:

- Identifying patients who are admitted for less than 12 hours, usually to the various assessments units and day case units within the trust and excluding them from requiring a VTE risk assessment as per our policy;
- Raise awareness of the need to perform a VTE RA in those areas that admit patients for more than 12 hours but do not routinely use the trusts electronic prescribing system;
- Feedback to poorly performing areas on a more frequent (monthly) basis;
- Request to the Trust Board for the extension of use of the Trust's EP system to all clinical inpatient areas; and
- Work with the IT department to automate e-mail reminders that VTE RA's have not been performed on specific inpatients.

Indicator	2010/11	2011/12	Trust performance Latest 2012/13	National Average	Lowest reported Trust	Highest Reported Trust
Number of positive Clostridium Difficile (C.diff) infections identified post 48 hours from admission for patients aged two or over on the date the specimen was taken	33.10	24.40	17.10	17.30	0.00	30.76

The Trust considers that this data is as described for the following reasons, reflecting as it does, a drop from a rate of 32.6 in the 2010/11 year, which was due to a comprehensive C.Difficile control programme which included:

- A deep cleaning programme across two of the hospital sites;
- Root cause analysis of all post-48 hour cases, based on infection control criteria, and antibiotic audits, with feed-back to clinical and ward teams;
- Detailed Period of Increased Incidence reviews, with feedback, for affected wards; and
- Reduction in the number of C.Difficile outbreaks across the Trust.

The Trust has taken the following actions to improve this rate and therefore the quality of its services by:

- Introduction of the new agent fidaxomicin into the treatment algorithm for C.Difficile;
- A project with Solihull Primary Care, mapping the medical and antibiotic history of the community and hospital C.Difficile patients for the period September-December 2012. This is being done to obtain a more detailed understanding of the overall 'antibiotic pressures' that could influence development of disease; and
- The development of a service providing faecal transplants to patients with protracted/relapsing C.Difficile infection. This is a new initiative in the West Midlands.

Indicator	Oct 11 - Mar 12	Apr 12 - Sep 12	Trust performance Latest Oct 12 - Mar 13	National Average	Lowest reported Trust	Highest Reported Trust
Number of patient safety incidents reported within the trust during the reporting period	5,660	6,440	7,835	3,285	174	11,495
Rate of patient safety incidents reported within the trust during the reporting period	5.12	5.80	7.76	6.28	1.70	30.95
The number of such patient safety incidents that resulted in severe harm or death.	67	98	114	20	0	114
Percentage of such patient safety incidents that resulted in severe harm or death.	1.20%	1.50%	0.10%	0.05%	0.00%	0.44%

The Trust considers that this data is as described for the following reasons:

Whilst there are some discrepancies, due to the way that the information is collected and updated, analysis of our local incident reporting database provides broadly similar data, with the number of patient safety incidents reported within the Trust during the reporting period as 7,800 and the number of such patient safety incidents that resulted in severe harm or death as 91.

The Trust considers a high level of incident reporting as a sign of a good safety culture and actively encourages staff to report both clinical and non clinical incidents. The Trust has had a relatively stable incident reporting profile for the last few years with approximately 20,000 incidents reported from April 2013 to March 2014. These incidents include both patient safety incidents (which are subsequently uploaded to the National Reporting and Learning System (NRLS)) and other categories of incidents (for example those that affect staff or property and have no actual or potential clinical impact on patients).

As part of the Trust's incident reporting process it identifies patient clinical incidents which need to be uploaded to the NRLS and provide regular uploads to this system. The NRLS publish some of this data as national statistics as well as providing bi-annual reports for individual organisations.

This year the organisation has continued to work with users to make incident reporting as streamlined as possible, in particular using Datix to capture the duty of candour information required by our commissioners. We also continue to review the training we provide to keep it responsive and accessible to those users.

The Trust also continues to develop its framework for investigating and learning from incidents, increasing the support for clinical investigation leads through the appointment of two clinical investigations and legal managers.

The Trust intends to take the following actions to improve the total rate of patient safety incidents reported within the Trust, and so the quality of its services, by:

- Introducing bespoke root-cause analysis tools to aid the investigation of and learning from medication incidents that result in severe or catastrophic harm;
- Rolling out the incident reporting, management and learning framework working with key staff groups to support wider learning from incidents and strengthening local feedback on reported incidents; and
- Revising the training and resources available to support incident investigation and management, introducing “root cause analysis master-classes” for clinical investigation leads.



Part 3:

Other Information

Part 3 includes an overview of the quality of care initiatives offered by the Trust against indicators chosen by the Executive Management Board because of their importance regarding patient care.

There are three measurable indicators for patient safety, clinical effectiveness and patient experience along with details of other quality initiatives. Where applicable, these are governed by standard national definitions. These are:

Harm free care, which was included under Patient Safety in 2012/13, forms part of the two priorities of pressure ulcer and falls. Nursing metrics form part of several of the Trust's priorities, as well as medication safety and fluid balance detailed below.

Patient Safety Indicators:	Cumulative Balance Medication Safety Infection Control
Clinical Effectiveness Indicators:	Incident reporting Never Events Morbidity and Mortality
Patient Experience Indicators:	Friends and Family Test (Net Recommender Index) Inpatient Survey Complaints

Harm free care, which was included under Patient Safety in 2012/13, forms part of the two priorities of pressure ulcer and falls. Nursing metrics form part of several of the Trust's priorities, as well as medication safety and fluid balance detailed below.

Patient Safety

During 2013/14 the patient safety team has continued to work with clinical teams on several patient safety improvement programmes.

These include:

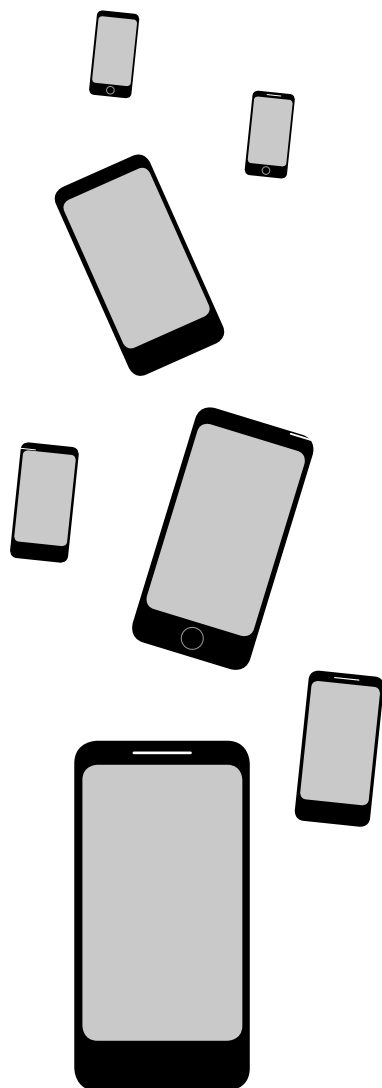
Trust Safety Manual

The nursing pocket safety manuals are designed to help practitioners to deliver safe, reliable evidence based care at the bedside.

The manual for nurses working with adult patients was launched in July 2011. The safety manual was reviewed and some of the information cards were updated in May 2013 to ensure that the content reflected current policy or guidance.

The following cards were updated:

- Confirmation of nasogastric tube position;
- Tissue viability care bundle/Dressing selection guide;
- Sepsis; and
- Blood transfusion.



The Paediatric Safety Manual

This was launched in August 2012. This manual was also reviewed in February 2013. The confirmation of nasogastric tube position was updated to reflect current practice.

Replacement cards were issued to all ward and department managers for their teams.

Doctors' Safety App – eMapp

A safety manual for junior doctors has been developed in the form of an App for smart phones. E-Mapp is an Emergency Medicine App designed by lead clinicians in Emergency Care.

E-Mapp, launched in September 2013, provides up to date information and national guidelines, scoring systems and algorithms to guide clinicians working in acute areas such as Emergency Department, Intensive Therapy Unit, Acute Medical Unit and Paediatric Assessment Unit.

Work is underway to evaluate the impact and usefulness of the App with front line clinicians.

In November 2013 the Neonatal Safety App was launched. The App has been designed by lead clinicians in Neonatal Care.

It provides up to date algorithms, flash cards, care pathways, neonatal formularies and Network Guidelines to guide nurses and clinical teams working in neonatal areas.

Promotion of the Trust's Apps

The Apps are available to download onto smart phones/ devices directly from the App stores.

Posters with Quick Response codes allow clinicians to scan the code direct from the poster and download the Apps.

The patient safety team has worked in collaboration with the communications team and faculty of education to promote awareness of these safety Apps to relevant clinicians.

With advancing smart phone technology being used at the Trust a campaign to raise awareness with visitors about staff using mobile devices has also been promoted using 'new technology' posters.



Patient Safety Walkabouts

In this financial year April 2013 to March 2014 a total number of 14 patient safety walkabouts were conducted by the Executive Team. The walkabouts give front line staff the opportunity to discuss safety issues with the executive team.

Four of the walkabouts were on the Birmingham Heartlands site, six on the Good Hope site, two on the Solihull site, one at Birmingham Chest Clinic and one at Solihull Community Services.

Several safety improvements have been initiated as a consequence of the patient safety walkabouts conducted this year. These include:

- Agreement from West Midlands Ambulance Service that emergency transfers for seriously ill children from Minor Injuries Unit, Solihull Hospital, will be treated as 999 calls if the person calling makes it clear it is a "life threatening" problem;
- Purchase of a new blood refrigerator for Obstetrics at Good Hope Hospital to avoid delays in administration of blood;
- Purchase of a trolley for Radiology at Solihull Hospital to reduce the delay in a patient's radiological investigations due to no trolley being available; and
- Repair to the ceiling in the staff locker room at Birmingham Chest Clinic.

Fluid Balance Toolkit

Work has continued with a number of wards across the Trust in relation to improving the quality of fluid balance monitoring. Real time data from monthly nursing metrics audits undertaken by the Corporate Nursing Team were used to identify where to target the improvement programme. A pareto chart was developed from the nursing metrics data to show which wards should be targeted for inclusion in the fluid balance improvement programme. Wards were selected based on poorest compliance on completing cumulative fluid balance scores and also a highest usage of fluid balance charts. This allowed resources to be targeted on wards where improvement would have the most impact. The progress is shown in Figure 1 below.

A fluid balance toolkit was created to provide ward leaders with tools to help diagnose areas for improvement with both fluid balance documentation and communication. The tool kit also provided a range of educational materials including an iSkills video and other information to help ward leaders drive improvement in their areas.

In addition to this, an accountability framework through Nursing Performance Board provided additional leverage to drive improvement as ward leaders were held to account for fluid balance performance in their areas. Incremental improvements have been achieved and sustained across all sites over a four year period. The performance is detailed in the chart below:

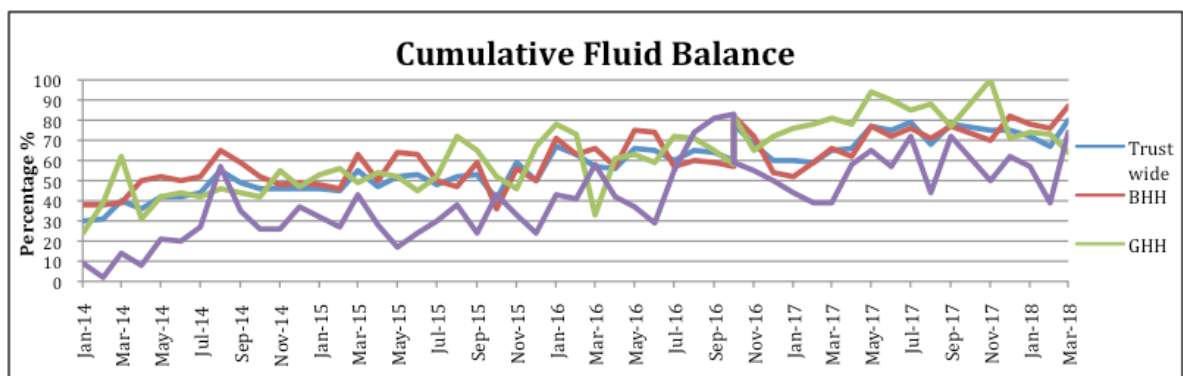


Figure 1

Medication Safety

Following a scoping exercise in January 2013 involving an extensive review of a wide range of internal and external data sources, medication safety was identified as a top safety priority for the Trust.

A project group comprising the patient safety team, the microbiology team and pharmacy have led the first medication safety improvement programme. The overall aim of the programme is to reduce the numbers of missed and delayed doses of medicine in the Trust. This is important as patient harm from missed and delayed doses is a nationally recognised problem. The initial focus for the improvement programme is antibiotics. Two clear aims have been identified both of which directly link to patient safety and outcome:

1. To promote prompt administration of stat dose antibiotics within a time frame of one hour; and
2. To ensure that all antibiotic prescriptions have a clear stop date.

The improvement programme was initially piloted on four surgical wards in the Trust and a medication dashboard linked to the Trust electronic prescribing (EP) system was developed as a result of feedback from these areas. The medication dashboard allows front line clinicians to view their own and Trust-wide performance in relation to antibiotic performance. Significant improvements were seen with the pilot wards and in January 2014 the dashboard was launched on the Solihull site.

The project team is currently working closely with clinical leads on the Solihull site. The site has seen significant improvements in timely stat dose antibiotic administration and antibiotic stop date performance. Progress is detailed in Figure 2 below.

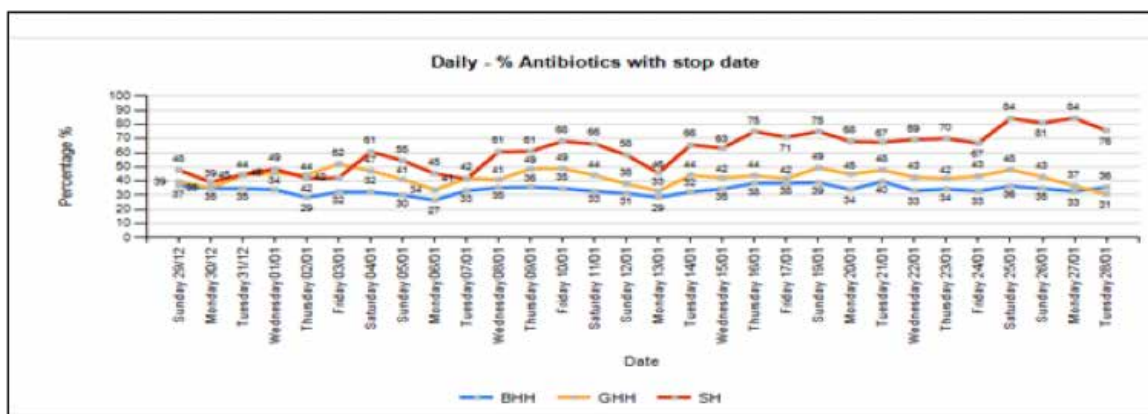


Figure 2

Plans are underway to roll out the improvement programme and launch the dashboard on the other hospital sites.

Electronic Prescribing (EP) Code Changes

To assess the impact of any improvement work relating to minimising omitted/delayed doses, it was essential to determine the current amount of avoidable omitted medication doses. This required changes to the current EP non-administration codes to allow nursing staff to accurately and efficiently record the reasons for non-administrations. Extensive consultation relating to refining and reducing the codes was undertaken and the new codes were launched in July 2013.

The patient safety team has facilitated a process mapping exercise of pharmacy ordering processes. From this exercise it became apparent that there were a variety of different order forms for ordering drugs from pharmacy, such as different forms for stock and non stock items, for ordering drugs during routine pharmacy times and out of hours.

The information was fed back to the pharmacy team; a new single order sheet has been created for all requests alongside a new pink single order sheet has been launched with a pink folder to alert staff to the new system.

Safety Communications Strategy, Learning Lessons and Engagement: The story so far...

In 2012/13 a new safety learning and engagement manager post was established. This role was developed to facilitate and improve organisational learning from incidents and error across the Trust.

In 2012 a scoping survey was undertaken to gather baseline measurement to determine the current awareness of the incident reporting process, and lessons learnt from incidents within the organisation. The aim of this survey was to create a focus on where to start improvements and to assess the current position.

The survey identified that 54% of staff who completed the survey were not aware of any Serious Untoward Incidents (SUI) that had occurred within the Trust. Some face to face responders did not actually understand what a SUI was.

The survey also identified that although staff were completing incident forms, 63% of those completing the survey had not received any form of feedback from incidents that they had reported.

Following review of the survey, innovative multi-modal communication systems were developed and implemented to ensure that essential learning from incidents and error are cascaded across the organisation as detailed below.

Learning from Serious Untoward Incidents (SUI)

A communication strategy to share learning from Serious Untoward Incidents (SUI's) has been developed. A short SUI 'at a glance' report is produced from all SUI's that occur in the organisation. The reports share the incident that occurred and key learning for the organisation. The reports are cascaded widely using multi-modal methods to ensure that lessons from adverse events are shared.

The reports are also uploaded to the Safety and Governance Intranet page and easily accessible to all Trust employees and are identified by both themes and years.

To ensure that learning from serious events which have occurred prior to 2009 are also shared and disseminated, previous SUI's are being formulated into the 'at a glance' formats. These will be readily available for all staff and circulated using the same cascade process. These reports will also include implemented changes to practice following the SUI. The aim of this is to create organisational memory for learning from incidents and error.



83LP
4/03/2014

Lesson of the month

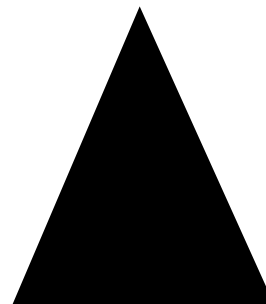
The 'Lesson of the month' initiative was launched in September 2012. The objective of the 'lesson' is to increase organisational learning and widely communicate lessons to be learned. The lessons are all based on incidents and errors that have occurred in the organisation, and are patient focused, and written by clinicians, for clinicians. The aim is to increase the profile of specific incidents and relay key guidance.

These lessons of the month are disseminated widely, posted on the front page of the Trust's Intranet and uploaded to the safety and governance intranet page, accessible to all Trust employees.

The lessons of the month are also cascaded via a payslip flyer which is sent out thrice yearly and incorporates the previous four months' lessons. They are also discussed at various forums, including junior doctor risky business forum.

Examples of lessons learnt shared to date have included:

- Medication safety (insulin/anticoagulants/oxygen/antibiotics) deteriorating patients, falls, HIV, assessing hypotension, Do Not Attempt Resuscitation (DNAR) and acute kidney injury;
- Animated presentations have also been used to disseminate widely key learning and important messages in response to incidents and trends;
- All of these initiatives are disseminated in as many different ways as possible as previously described and have been supported by the Director for Medical Safety, Trust Medical Director and Chief Nurse all of whom assist in the wider cascade of these initiatives;
- The initiatives have been recognised by the Trust Development Authority and Care Quality Commission as good practice initiatives. The Trust has recently been approached to share the learning lessons initiatives with other organisations; and
- The second scoping survey results in 2013 indicate 68% of staff who completed the survey know about 'lesson of the month' and were able to name at least one lesson that had been disseminated. There has also been excellent engagement from clinicians to share learning via this method.



The SUI cascade initiative has also recently been evaluated using the scoping survey. Early results indicate there has been a 16% increase in staff awareness of SUI's that have occurred in the Trust. 52% of staff had heard of the SUI reports and most of these knew how to access them.

Infection Control

This year a trajectory of zero MRSA bacteraemias was set. Eight have been recorded and out of these five were considered unavoidable. There have been no MRSA bacteraemias at Solihull Hospital for over two years and none in Solihull Community Services for over four years. The Trust acknowledges that improvements are still required in comparison to other trusts.

A new innovation this year was the introduction of Octenisan universal antiseptic body wash for all adult patients as part of the 'washing away MRSA campaign'. This has been very successful resulting in a significant reduction of over 50% in the amount of MRSA detected in general screens and wounds swabs. A rationalisation to the screening programme was also made resulting in cost savings to the Trust.

Figure 1. HEFT MRSA bacteraemia cases for April 2013 to March 2014, with the annual threshold shown.

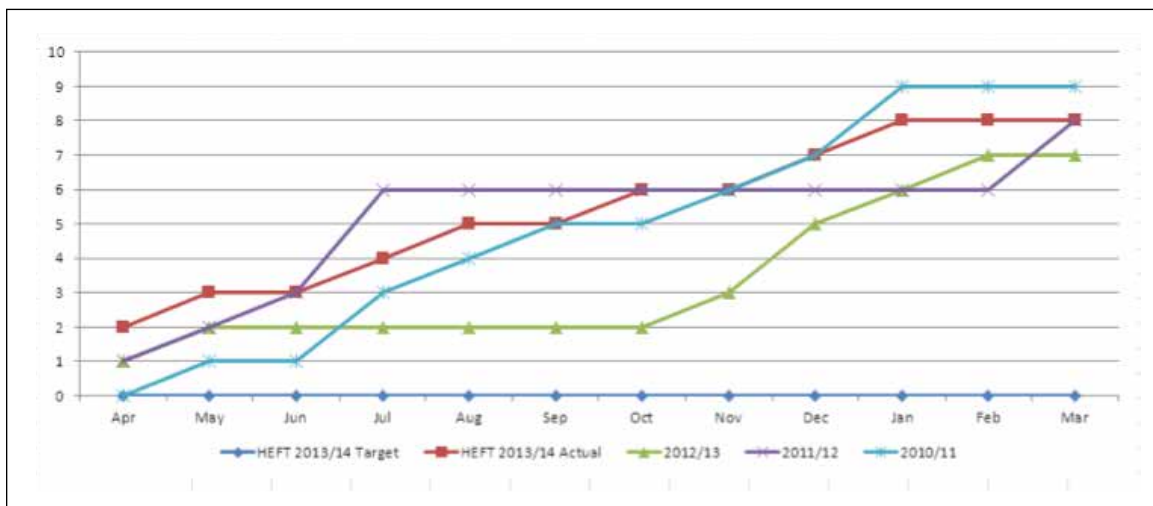
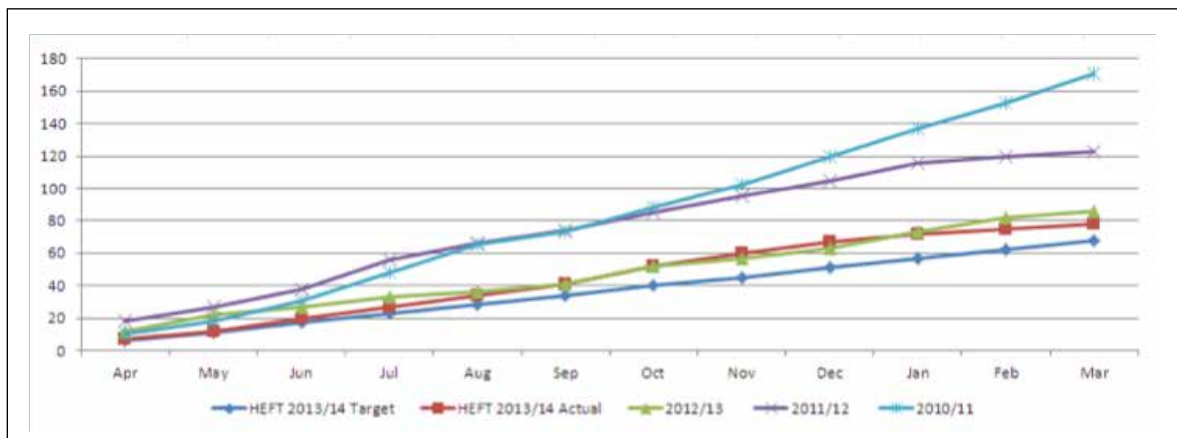


Figure 2 HEFT C.Difficile toxin-positive post-48 hour cases from April 2013 to March 2014, with the annual threshold shown.



A very challenging trajectory of 67 C.Difficile cases was set this year. Like the majority of trusts, Heart of England was unable to achieve its target and the Trust has recorded 82 cases. A number of these cases were considered unavoidable and it is likely that an irreducible minimum has now been achieved.

The Human Probiotic Infusion Programme was further developed by Microbiology and Infectious Diseases this year, thereby providing treatment to patients with the most serious re-occurring C.Difficile infections. Heart of England is the only trust in the region providing such a service for its patients and those from other trusts.

The team training had a strong focus on improving urinary catheter care this year and the infection control nurses were short-listed for both the Nursing Times and Health Service Journal Awards for this work.



Clinical Effectiveness

Incident Reporting

The Trust actively encourages the reporting of all types of incidents to ensure that lessons can be learnt from such occurrences. A high level of incident reporting is considered to be an indication of a good safety culture.

The definition of an incident is very broad and can be considered as any 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.

Figure 1 shows that most of the incidents that are reported are considered to be “Patient Safety Incidents (PSI’s)” broadly defined as any incident causing or having the potential to cause harm to a patient receiving services from the Trust. These incidents all have to be reported to the National Reporting and Learning System (NRLS) to support national data analysis, comparison and learning.



Fig.1 shows incidents occurring in 2012/2013 and 2013/2014. Incidents are split into patient safety incidents (PSIs), which the Trust is required to report to the NRLS and all other incidents.

Other high risk industries (such as the nuclear and airline industries) show that the Trust, in time, should aim to see an increase in the total number of incidents being reported, coupled with a reduction in the incidents resulting in the serious harm. Figure 2 shows that we have not yet achieved this profile with both the number of harm and no/low harm incidents reported being roughly the same over the last two years.

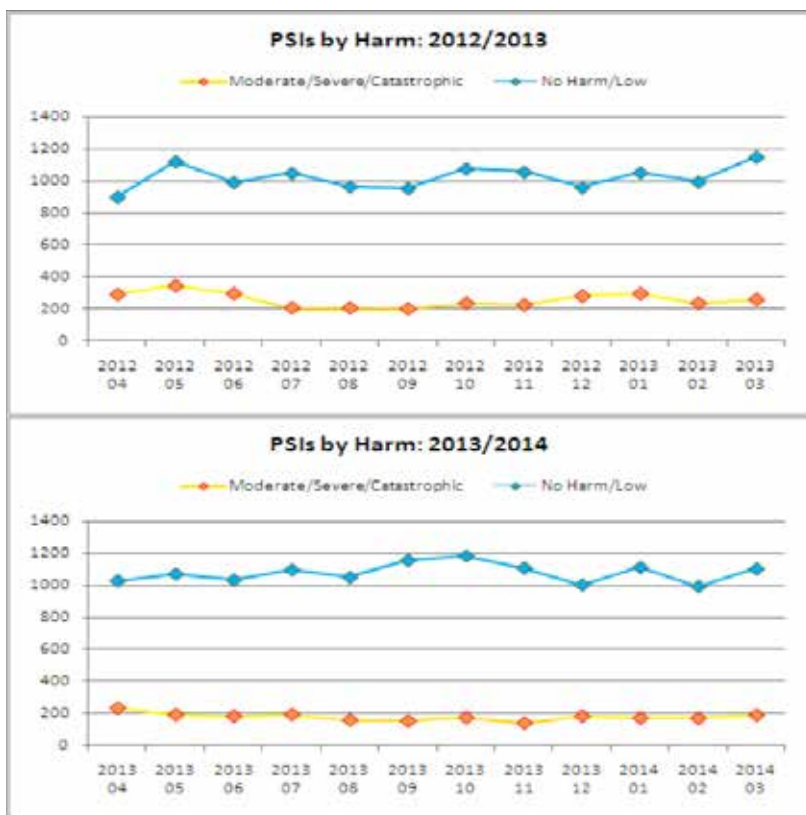


Fig. 2 shows patient safety incidents occurring in 2012/2013 and 2013/2014 split into those causing no harm or low harm and those causing moderate or severe harm or death.

Approximately 20,000 incidents are reported by Trust staff each year. As illustrated in Figure 3, these are reported from all locations where Trust services are provided, this includes primary care settings and patients' own homes. The profile of where incidents are reported from remains broadly similar to last year, with the majority of incidents reported from Birmingham Heartlands Hospital, Good Hope Hospital and Solihull Hospitals, reflecting where the Trust provides most of its services.

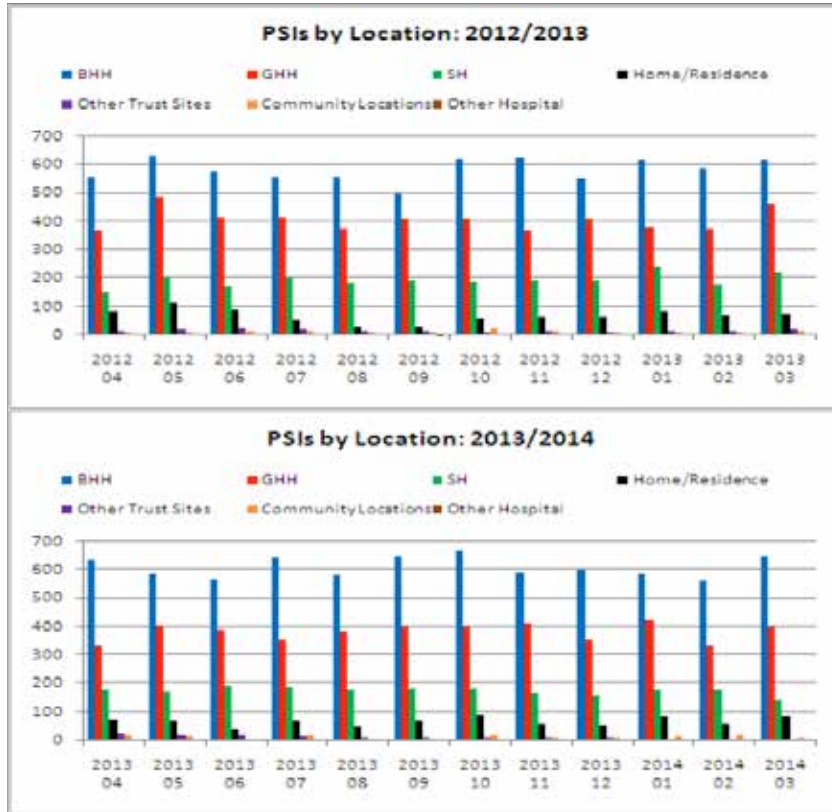


Fig. 3 shows patient safety incidents occurring in 2012/2013 and 2013/2014 and where they occurred.

The top ten types of incidents reported are illustrated in Figure 4. The top three categories of incidents reported in 2013/14 are patient falls, tissue viability and medication, which, remain the same as last year and as expected. In line with national priorities, there continues to be much local work, described elsewhere in this document, to strengthen the reporting and learning from patient falls and tissue viability incidents which in turn is reflected by patient falls and tissue viability incidents being amongst the most frequently reported incidents.

A similar framework to support the reporting, investigation and learning from medication incidents is being developed for 2014/15.

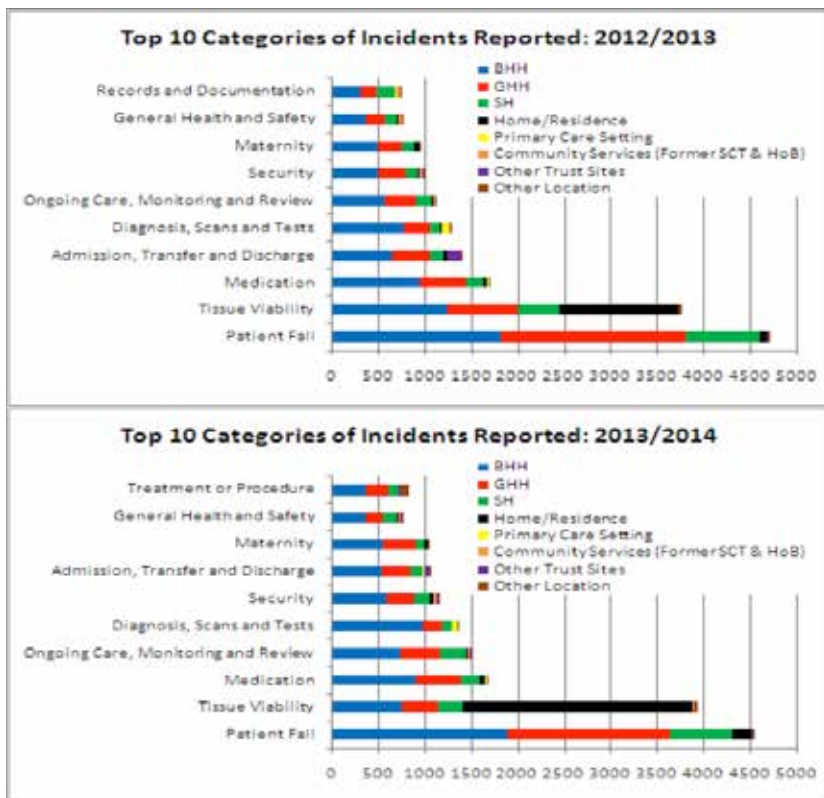


Fig. 4 shows the top 10 incident categories reported during 2012/2013 and 2013/2014 and where they occurred.

When staff report an incident they are asked to consider the level of harm to the person, property or services that has occurred, in summary the level can be:

- Catastrophic/death: Death directly attributed to the incident / Multiple permanent injuries or irreversible health effects;
- Severe: Causing permanent and significant harm;
- Moderate: Causing significant but not permanent damage;
- Low: Requiring extra observation or minor treatments; and
- No harm: Any incident that caused or resulted in no harm done.

Whilst this can only be a very subjective assessment at the time of the incident, and may change as more is learned about the incident or outcome of the incident, this grading is used to identify the incidents that are to be investigated using root cause analysis to identify learning.

Duty of Candour

From April 2013, NHS England required a contractual duty of openness to be included in all commissioning contracts, called 'duty of candour'. This meant that NHS organisations were contractually required to tell patients about adverse events where moderate, severe or catastrophic harm has occurred, and ensure that lessons are learned to prevent them from being repeated.

These principles are not new, and are outlined in the Trust's 'Being Open' policy which has been in place since 2008. The essence of being open is that patients, relatives and carers should receive the information they need to understand what has happened, receive an apology, details of the investigation into the incident and reassurance that lessons will be learned to help prevent the incident reoccurring.

This year the Trust has introduced a framework to record and monitor how this duty is being fulfilled and share this information with the Trust's commissioners.

Serious Incidents and Never Events

The Trust also uses incident severity as one way to identify the most serious of incidents which are investigated in line with the Trust's SUI Policy.

In 2013/14 the Trust identified and investigated 15 SUI's. The breakdown by site on which the SUI occurred as well as previous year's data for comparison is listed in the following Table 1.

SUI profile by location

Site/Division	10/11	11 / 12	12/ 13	13/14
Birmingham Heartlands Hospital	8	11	7 (2x N)	7 (1xN)
Good Hope Hospital	5	1	3 (1xN)	4 (2xN; 1xPN)
Solihull Hospital and Community Services	0	5	1	3 (2xN)
Other / Not applicable				1*
Total	13	17	11	15

Table 1: Serious Incidents, Never Events (N) and Prevented Never Events (PN) data for last four years .

*incident was a service failure and not associated with a particular location.

'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'. Each year the Department of Health updates the list of Never Events and the associated guidance to prevent or minimise the risk of such an event.

To be a Never Event, an incident must fulfil the following criteria:

- The incident has clear potential for or has caused severe harm/death;
- There is evidence of occurrence in the past (i.e. it is a known source of risk);
- There is existing national guidance and/or national safety recommendations on how the event can be prevented and support for implementation;
- The event is largely preventable if the guidance is implemented; and
- Occurrence can be easily defined, identified and continually measured.

In 2013/14 there were 25 national Never Events listed, 23 of which are applicable to the acute and community services that the Trust provides.

Prevented Never Events were introduced in October 2012. They are defined as incidents that may have been never events had action not been taken to avoid an incident meeting the never events criteria and where such action is not part of the specified preventative action detailed in the relevant associated guidance or safety recommendations. For example, it is a prevented never event where an opioid naïve patient receives an opioid overdose, but the error is rescued and severe harm or death is prevented through rapid naloxone administration. This is also an actual patient safety incident and should be reported as such, but is not an actual never event.

During 2013/14 the Trust reported five Never Events and one prevented Never Event. Three of these (two of the Never Events and the one Prevented Never Event) occurred during 2013/14, the remaining having occurred in previous years:

- Two wrong implant (Trauma & Orthopaedics/Theatres and Ophthalmology/Theatres);
- Two retained foreign objects (General Surgery/Theatres and Trauma & Orthopaedics/Theatres);
- One wrong site surgery (General Surgery); and
- Prevented: Opioid overdose of opioid naïve patient (Elderly Care).

In 2013/14 through the course of incident investigations, the Trust identified that some of the actions following SUI's and Never Events in previous years had not resulted in the cross site sustained learning that would be expected. In response to this, the Trust has introduced executive led challenge meetings, starting with ophthalmology and T&O where there was evidence of repeated Never Events and weak implementation of actions from the previous incidents.

In addition to this, and working in close collaboration with our commissioners, the Trust has introduced 'Walk the Walks' where a team of Trust staff, including representatives from the non executive directors and executive directors, visit the area where the Never Event has occurred to talk to staff and establish whether there is awareness of the incident and whether agreed actions have been put into place to mitigate the risk of recurrence.

The Trust is also continuing to work with commissioners to establish a regional group to share learning from incidents and best practice in incident management across the local healthcare economy.

Mortality Statistics

The Trust continues to monitor its mortality rate on a monthly basis using the Hospital Standardised Mortality Rate (HSMR) available from Dr Foster and on a quarterly basis using the Summary Hospital Level Mortality Indicator (SHMI) produced and published by the Health and Social Care Information Centre. Both of these indicators are a ratio of the observed number of deaths over expected deaths given the characteristics of the patients treated by the Trust.

The main differences between these two indicators are that:

- They include different cohorts of diagnoses and deaths: The SHMI monitors deaths from all diagnoses and includes both deaths in hospital and deaths 30 days after discharge. It includes death from all diagnoses as opposed to the HSMR which covers just 80% of diagnoses and only in hospital deaths. SHMI excludes palliative care codes and HSMR takes these into account;
- They cover different time periods: The SHMI covers a 12 month period and is published six months in arrears. HSMR is available three months in arrears as monthly, year to date accumulative and annual HSMR; and
- They are reported in different ways: SHMI values are calculated using a ratio of 1 as the average and then categorised into one of the following three bandings for reporting:

1 - where a trust's mortality rate is 'higher than expected'

2 - where a trust's mortality rate is 'as expected'

3 - where a trust's mortality rate is 'lower than expected'.

HSMR is calculated by Dr Foster using 100 as the average and Dr Foster has publically reported HSMR annually with similar commentaries groupings e.g. within expected range.

There is currently much debate about the usefulness of both the SHMI and HSMR and these figures require careful interpretation, and should not be taken in isolation as a headline figure of a trust's performance. They are best treated as a 'smoke alarm' and 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. The Trust's Mortality and Morbidity Performance Group meets monthly to review, analyse, interpret and request action upon Dr Foster data on behalf of the Trust. In 2013/14 this group consisted of clinicians from each hospital site, the Medical Director, the lead Medical Examiner, the Director of Safety and Organisational Development, the Director of Medical Safety, Head of Clinical Coding and a Technical Consultant (Analyst).

This data is also considered at the Clinical Quality Performance Group, one of the Trust's main quality, safety and risk committees, where mortality outcomes form part of a suite of indicators based on the outcomes framework. Exception reports are escalated to the Trust Board level Quality and Risk Committee and mortality data is also reported to Trust Board.

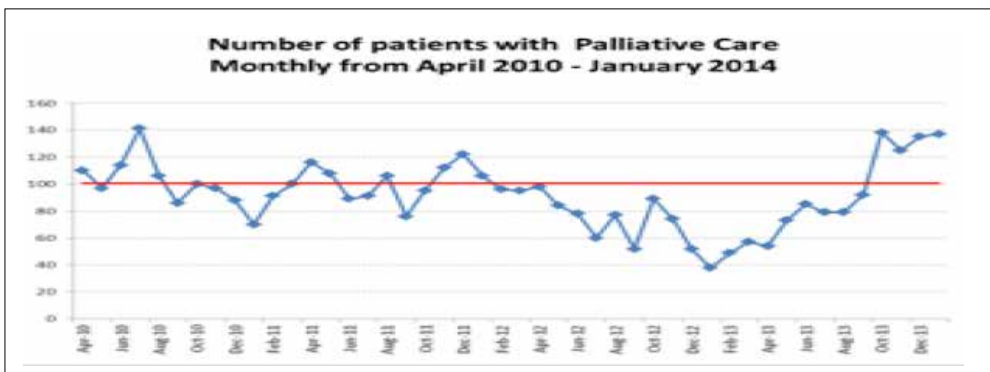
Over the last year the Trust observed a significant spike in mortality over the winter period with a resultant raised annual HSMR for April 2012/March 2013 of 107.5. The Trust's mortality rate 2012/13 was also identified as being an outlier in the annual Dr Foster report. An investigation using case note review and data analysis was undertaken to look at the main diagnoses that triggered this alert:

- Pneumonia;
- Acute myocardial infarction;
- Secondary malignancies; and
- Other upper respiratory diseases.

This review did not identify any obvious patterns of concern in relation to patient care. However, areas for improvement and further analysis were identified.

In November 2013 the Trust received a CQC mortality outlier alert in relation to mortality from Acute Myocardial Infarction (AMI). A comprehensive case note review and data analysis was undertaken and overall there were no significant patterns of concern identified in relation to AMI patient care. There were opportunities for improvement which had already been identified as part of our regular mortality and morbidity review. This information has been submitted to the CQC for review and the Trust is awaiting a response.

During last year the Trust was also aware that there was an under reporting of palliative care coding during 2012/13 which can have an adverse affect on HSMR (increasing it). This was investigated and addressed.



Current position

The HSMR over the last year has gradually fallen since the marked winter spike and is now within the expected range. However, currently the estimated re-based Trust HSMR for 2013/14 remains elevated (see below):

Table 1a: Dr Foster HSMR, October 2012 – January 2014

Site	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14
Trust Wide	95.8	101.1	112.6	100.2	130.2	122.0	110.2	111.1	94.0	103.5	99.1	95.9	99.4	103.0	98.7	87.9
Heartlands	98.9	105.9	112.6	112.5	130.6	122.4	122.8	107.2	95.5	111.1	92.0	102.6	108.8	109.7	104.9	78.3
Good Hope	99.1	102.7	119.0	100.0	127.3	115.7	95.0	111.5	94.8	96.3	98.0	95.0	99.2	96.2	104.1	99.8
Solihull	89.3	87.2	116.7	105.5	134.1	130.8	111.7	118.3	89.7	97.8	84.9	80.5	81.1	102.6	75.0	97.3

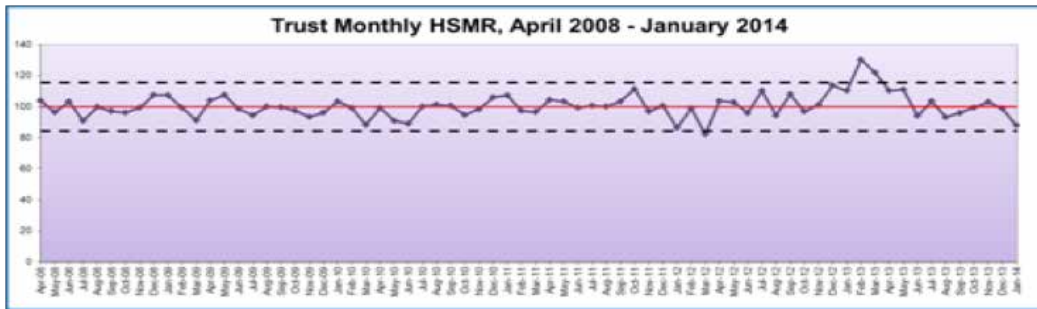
Table 1b: Dr Foster HSMR, 2010/11 – 2013/14

Site	2010/11 (rebased)	2011/12 (rebased)	2012/13 (rebased)	2013/14 YTD (not rebased)	YTD, estimated re-based Trust
Trust Wide	98.5	98.2	107.6	99.6	111
Heartlands Hospital	97.5	100.7	108.7	103.0	
Good Hope Hospital	103.5	98.7	108.5	98.5	
Solihull Hospital	93.1	92.7	103.9	94.5	

*The HSMR YTD, estimated re-based Trust figure is a like-for-like calculation with previous year's figures.

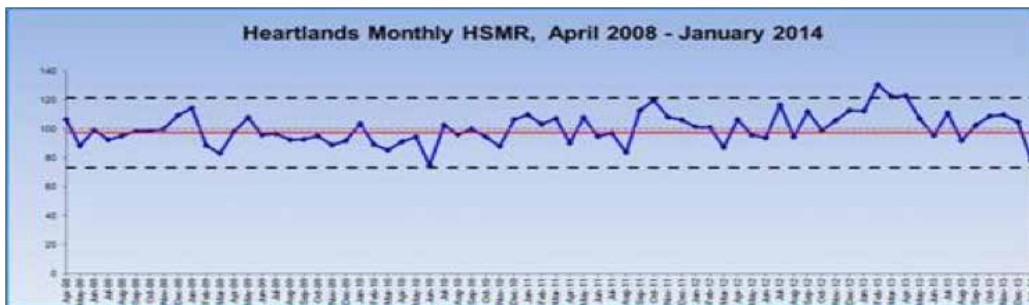
2. Monthly HSMR Charts

Graph 1: Trust Monthly HSMR - April 2008 to January 2014



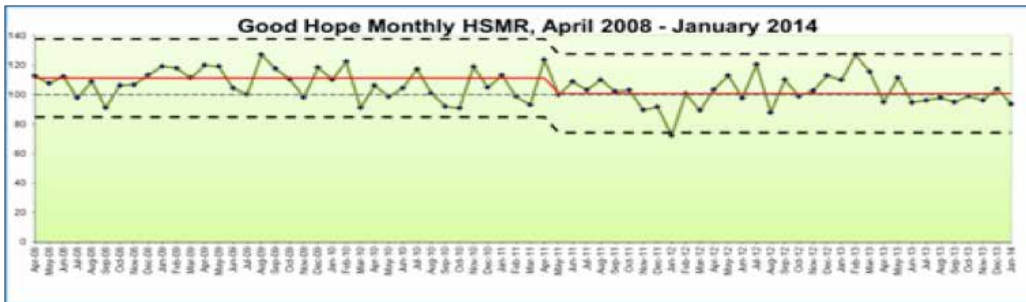
Notes: The red average line is calculated between March 2008 and October 2009. April – October 2013 is not re-based, previous data is re-based.

Graph 2: Heartlands Monthly HSMR - April 2008 to January 2014



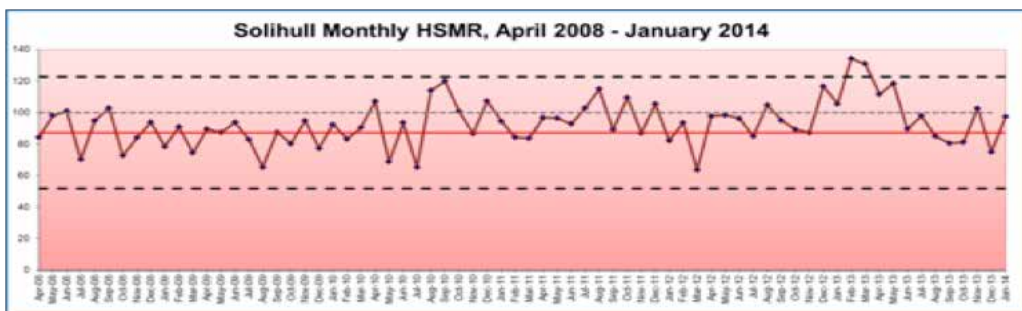
Notes: The red average line is calculated between March 2008 and October 2009. April 2013 – January 2014 is not re-based, previous data is re-based.

Graph 3: Good Hope Monthly HSMR - April 2008 to January 2014



Notes: The red average line is calculated between March 2008 and October 2009 and May 2011- Dec 2012. April 2013 – January 2014 is not re-based, previous data is re-based.

Graph 4: Solihull Monthly HSMR - April 2008 to January 2014



Notes: The red average line is calculated between March 2008 and October 2009. April 2013- Jan 2014 is not re-based, previous data is re-based.

SHMI:

Time period	Value	Banding
January - December 2012	103.0	as expected
April 2012 - March 2013	107.9	as expected
July 2012 - June 2013	1.0855	as expected

Re-basing

Each year, Dr Foster and the Dr Foster Unit at Imperial College London recalculate the expected values and the risk estimates which are used to produce the risk adjusted outcomes found in the tools. The reasons for this include:

- Adding another year of data into the model;
- Improving the risk adjustment; and
- Refreshing historic data.

Implications for the HSMR are that due to the natural decline in mortality the annual update (re-basing) means a few trusts will change 'banding' and some may find their HSMR becomes higher or lower than expected when their pre-banding provisional results have indicated that the HSMR will be 'within the expected range'.

Patient Experience

Complaints and Patient Feedback

Formal complaints continue to provide feedback to the Trust with regard to identified themes and trends which support training and service redesign across the Trust.

In 2012/2013 the Trust identified a need to improve the management of complaints and improved the process by responding to complainants on a more personal level. However, this still needed to be improved as complainants were still unhappy with the responses they received. A pilot study was prepared focusing on Solihull Hospital to introduce a centralised complaints function to bring the complainant to the heart of the process, allocating specific case managers whose responsibility it would be to communicate regularly at agreed times with complainants to update and provide support in relation to their complaint.

In order to demonstrate effective change across the complaints process, there are a number of key deliverables required to measure the benefits of this project:

- Effective and robust standard operating procedures to deliver complaints in line with the Parliamentary Health Service Ombudsman (PHSO) principles;
- Information and measurement, to ensure timelines are met, patients are kept informed and satisfied with the outcome;
- Workforce cost neutral;
- Physical environment to house the Patient Services team at each site;
- Reduction in the number of unsatisfied complaint outcomes seeking further resolution to their concerns after the final response is issued;
- Directorates demonstrating adoption of lessons learnt and providing evidence to that effect; and
- Patient/ complaint experience measured.

Including Key Performance Indicators:

- Reduction of final responses that are returned by the complainant as the questions raised have not been answered;
- Working closely with the Divisional Management Teams identifying areas of concern as identified by number of complaints formal and concerns raised;
- Responses to complaints do not go over the agreed timescales – currently many complaints are renegotiated;
- Increase in the number of complaint responses passed as acceptable and appropriate quality.
- Ensure a smooth process that allows complainants to access the service easily;
- Survey of complainants three months following response letter to identify how the process worked for them; and
- Monitoring of action plans and gathering evidence for CQC.

What we have done well

In line with the Clwyd Hart report the focus for complaints is a much more robust complaints handling process. Therefore taking a step back to the 2009 'Making Experiences Count' policy which identified that communication is the key in good complaints management, our pilot site at Solihull ensures that all complaints are communicated with at initial contact, the aim is to:

Clearly identify what the complaint is about by direct communication with complainant, resulting in:

- More information with regard to specifics issues identified, names, times, places etc; and
- Clearer identification of questions raised.

Communicating on a regularly agreed basis with the complainant which has resulted in:

- Fewer complaints regarding timescales; and
- Better quality final responses which answer the questions.

Comparison Complaints Data

Although complaints seem to remain fairly consistent, the number of concerns that are raised and dealt with and resolved at an early stage has increased, reducing the number of potential formal complaints to the Trust, as shown in Fig 1 below. The data for formal complaints and informal is used in conjunction with each other to identify themes and trends across the Trust.

The Trust submits complaints data to the Health and Social Care Information centre via the Omnibus survey. The 2013/14 survey shows total written complaints received by the Trust of 958 (805 in 2012/13) with 574 of those upheld. Note that because of timing differences in the collection and submission of this data, scores reported internally for the period will differ.

Fig 1a: Number of formal complaints and concerns raised for Birmingham Heartlands site April 2013 – March 2014

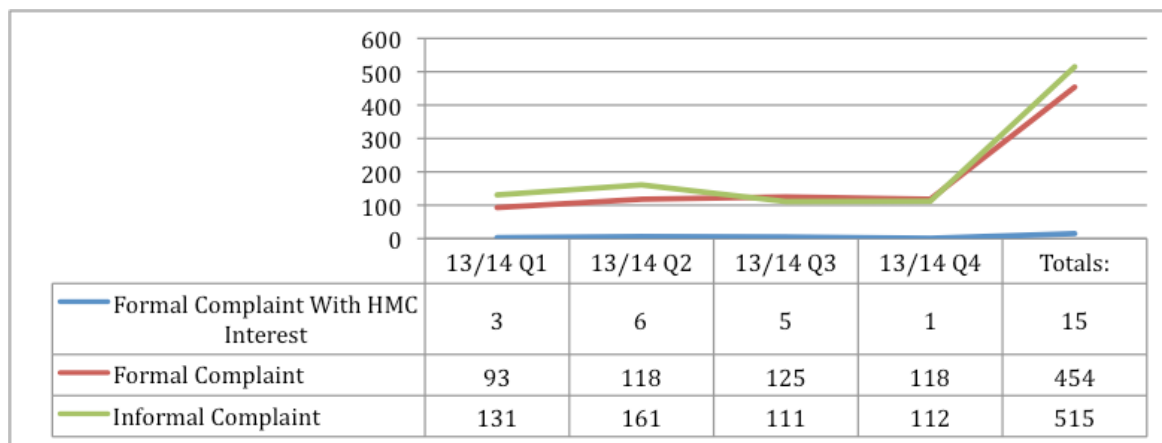


Fig 1b: Number of formal complaints and concerns raised for Solihull Hospital site from April 2013 – March 2014

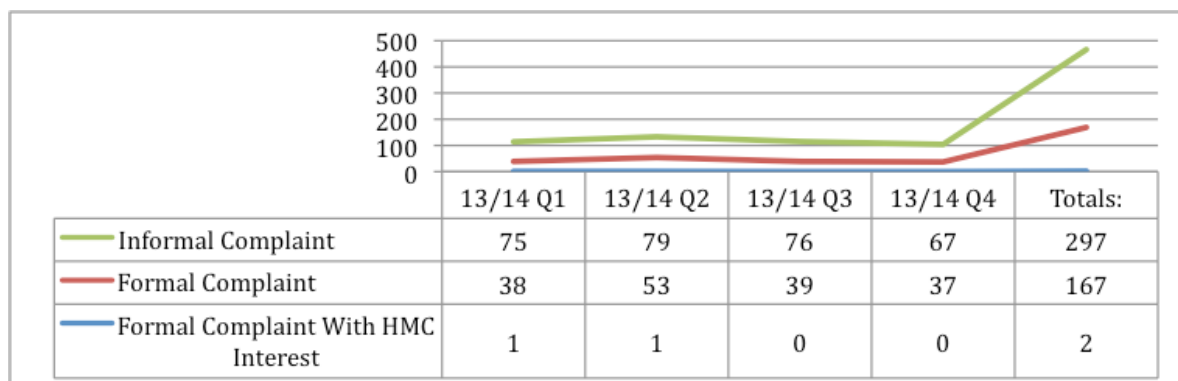


Fig 1c: Number of formal complaints and concerns raised for Good Hope Hospital site from April 2013 – March 2014

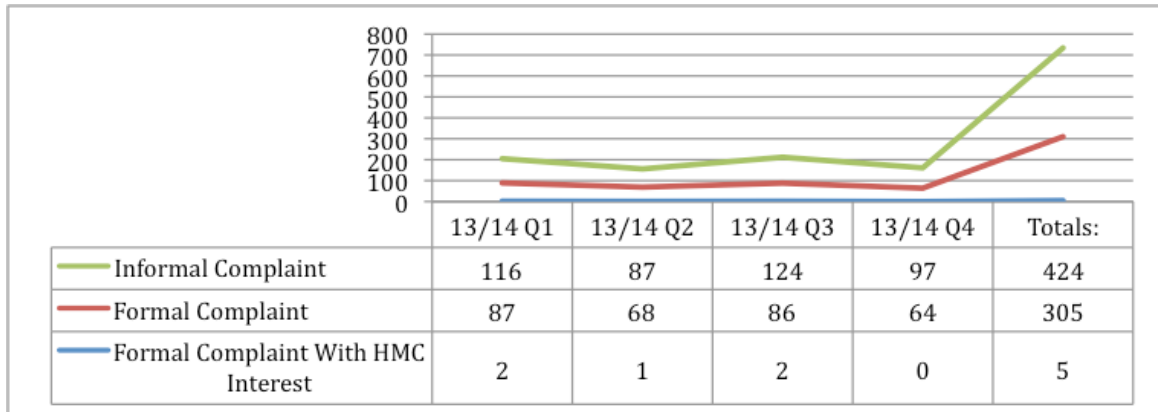


Fig 1d: Number of formal complaints and concerns raised for Community Services – recording of these services has improved since the Pilot Centralised Process at Solihull from April 2013 – March 2014

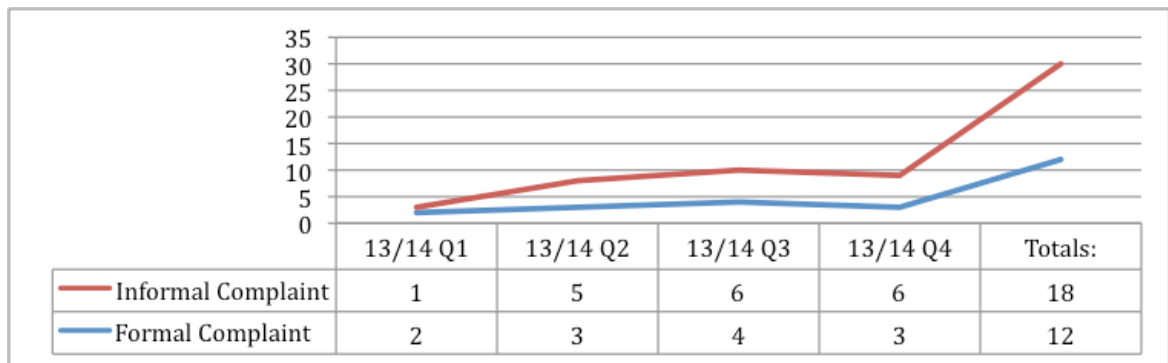
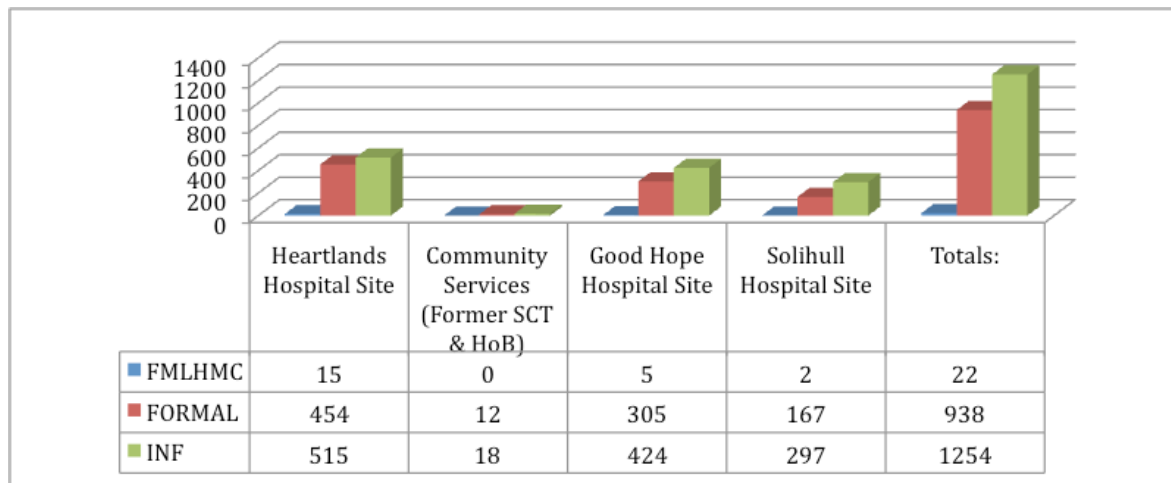


Fig 1e: Number of complaints and concerns raised for all sites April 2013 – March 2014



Although there has been an improvement in the number of informal concerns raised, there is a need to develop this function further and the Trust is looking closely at how to utilise the Patient Services Staff to ensure that they are available all day and every day at each site. An allocated Patient Services Officer will be in place at Solihull Hospital enabling a closer working relationship between the wards, departments and Patient Services to improve the patient pathway during their stay in hospital. Currently the Patient Services team is required to cover all three sites so having a dedicated Patient Services support working on one site will build knowledge and skills at Solihull and a bond between wards and Patient Services to resolve issues early on and still working closely with the Complaints Team to maintain improvements of the centralised process.

On this basis there are plans to roll out 'centralised complaints' across the Trust to be completed by March 2015.

Parliamentary Health Service Ombudsman

Further improvement has been maintained with the number of complaints being forwarded to the Parliamentary Health Service Ombudsman (PHSO) reducing for the second year, continuing with the good work involving Directorates and Patient Services to achieve a satisfactory outcome with the complainants. Changes to the way PHSO investigate their current case load has changed and having a key person working within the organisation providing a link person to review cases such as those requiring investigation from the PHSO has improved considerably.

The table below shows the number of Ombudsman's contacts direct to the organisation relating to concerns raised for a specific patient reflective over a four year period.

PHSO profile by management team for Financial Year13/14				
Site/Division	10/11	11/12	12/13	13/14(YTD up to January 2014)
BHH	12	27	6	6
GHH	10	16	11	4
SH	6	5	1	3
W&C	6	3	1	0
CSSD	1	4	1	3
Community	0	0	1	0
Corporate	0	1	0	0
Total	35	56	21	16

PHSO Profile by outcomes (Year To Date 31.3.14)				
	10/11	11/12	12/13	13/14 (YTD up to January 2014)
Upheld	6	5	4	0
Partially Upheld	5	1	3	0
Not Upheld	1	2	2	2
Not Investigated	23	48	17	2
Ongoing	0	0	2	12
Total	35	56	28	16

PHSO profile by Findings Financial Year 13/14				
Findings	10/11	11/12	12/13	13/14
Service failure	10	5	0	0
Maladministration	4	2	1	0

PHSO Profile by compensation paid Financial Year 13/14				
	10/11	11/12	12/13	13/14
Total	£24,779	£10,000	£250.00	£0.00

The PHSO						
Received	Total number of enquiries received by PHSO	Advice and Support given on where or how to complain	Number of complaints PHSO accepted	Number of complaints that they Upheld – agreed with	Number of complaints they partially upheld – agreed with elements of complaint	Number of complaints that were not upheld – did not agree with complaint
2010/2011	171	0	12	6	5	1
2011/2012	124	7	8	5	1	2
2012/2013	111	28	9	4	3	2

Patient Survey

The Trust is committed to ensuring patients have a positive experience of care, listening to their views is key to making improvements in the areas that matter most. The Trust uses a consortium of local and national measures which allow performance to be monitored and focus on areas which require attention. The most robust local programme was introduced four years ago to collect and report ‘real time’ feedback; which currently surveys 9,000 patients annually.

The results are an integral part of the Trust patient experience drive with monthly satisfaction reports presented to the Board of Directors. This work allows wards and departments to understand the key issues affecting patients.

The table below shows the range of scores for the inpatient survey, it is organised into colour coded sections, the highest scores (green) are on the left and the lowest are on the right (red).

The findings of the 2013 CQC National Inpatient Survey show that the Trust performed about the same as the rest of England in all standards apart from the four detailed below in which we were found to be in the bottom 20% of Trusts.

- Availability of hand-wash gels;
- Pain control;
- Delays in discharge; and
- Taking family or home situations into account when planning discharge.

As a consequence plans to address these issues are under development and implementation.

Fig 1: Trust Inpatient Survey (April 2013 - March 2014)

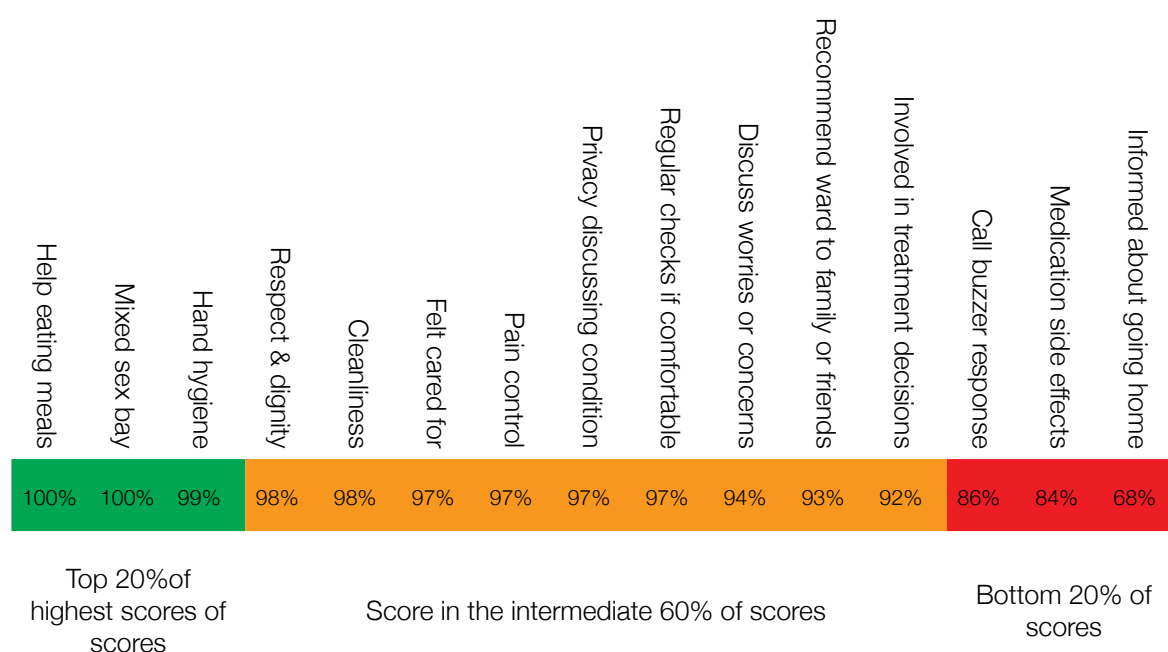


Fig 2: Trust Inpatient Yearly Comparison (April 2012 to March 2014)

Trust Inpatient Survey: Overall Satisfaction Score	April	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
2012-13	91%	92%	93%	93%	93%	93%	93%	93%	93%	92%	92%	93%	93%
2013-14	94%	94%	94%	94%	94%	94%	96%	91%	89%	93%	93%	93%	93%

The Trust has dedicated resource and energy into ensuring the Friends and Family Test (FFT) is fully implemented for Inpatients, the Emergency Department and more recently Maternity Services. In real terms, for this measure alone the Trust has increased the number of patients who gave feedback from 12,000 in 2012 to 27,000 respondents in 2013. Currently the Trust is achieving a 17% response rate; with the target for March 2014 being 20% (see table below for monthly trend).

Fig 3: Friends and Family Survey (April 2013 – March 2014)

Response Rate	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
Heart of England	11%	6%	16%	15%	16%	17%	15%	19%	16%	17%	19%	16%	15%
Inpatients	26%	18%	18%	13%	19%	20%	18%	21%	13%	13%	23%	11%	18%
Emergency Department	4%	1%	15%	16%	15%	16%	14%	18%	18%	19%	18%	18%	14%
Maternity Services							13%	15%	22%	17%	16%	23%	18%

The Friends and Family Test is an important dimension of patient experience data. It is a simple headline metric which, when combined with follow-up questions, can be used in any patient pathway to measure the quality of care provided. Patients rate the Trust on the likelihood they would recommend services to relatives and friends. The score is calculated by subtracting the percentage of 'Promoters' from the percentage of 'Detractors' which gives a score from -100 to 100. To achieve a score of 100 all respondents must say they were 'extremely likely' to recommend the service. The responses are divided into the following categories:

- Promoters ('extremely likely' to recommend)
- Passives ('likely' to recommend)
- Detractors ('neither likely or unlikely, unlikely and extremely unlikely' to recommend)

The results from all of these sources are presented in conjunction with one another, which provides the Trust with a rich and comprehensive picture of patient experience. This information is shared every month with staff, the Trust Board and Governors & Patient Groups. The table following shows the average scores for inpatient, emergency patients and maternity patients for 2013.

Fig 4: Friends & Family Test (April 2013 – March 2014)

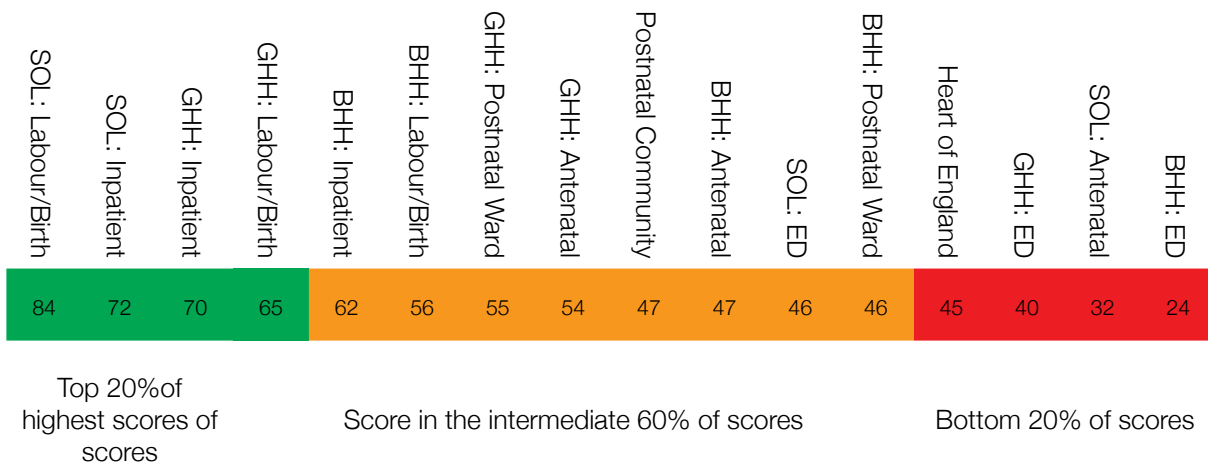


Fig 5: Trust Friends and Family Yearly Comparison (April 2012 to March 2014)

Friends and Family Test	April	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
2012-13	27%	25%	63%	60%	69%	66%	68%	65%	69%	68%	67%	73%	60%
2013-14	69%	70%	65%	74%	73%	73%	79%	76%	69%	73%	73%	74%	72%

The table above shows the percentage of inpatients who said they were 'extremely likely' to recommend the hospital to friends and family.

The Trust has increased the number of patients asked to give feedback by 64,000 during 2013, the table below shows year on year comparison:

Year	Patients sampled	Total Responses		Compliments		Improvement	
		n	%	n	%	n	%
2013 -14	213,464	41,813	20%	14,503	35%	6,435	15%
2012-13	148,483	30,570	21%	2,958	62%	1,795	38%
2011-12	38,795	14,650	38%	1598	52%	1,500	48%

The Survey Team is responsible for conducting our patient experience surveys on behalf of the Trust, the main projects are summarised in the table below:

Title	Sample	Response	Compliments	Improvement
National Inpatient Survey	850	330	87	43
National Maternity Survey	776	288	81	53
National Cancer Survey	1,559	896	271	180
Inpatient Metrics Programme	21,160	9,786	N/A	N/A
Inpatient Friends & Family Test (FFT)	51,549	9,152	5,225	2,791
Emergency Department FFT	119,906	16,231	6,991	2,875
Maternity Services FFT	12,472	2,098	1,149	342
Community Services	5,192	3,032	699	151
Total	213,464	41,813	14,503	6,435

Quality Improvement

Quality improvement is a very important aspect of patient experience, the table below highlights some of the main projects carried out in 2013:

2012 Concern	HEFT Action / Response	2013 Outcome
15% decline in the number of patients always given help to eat meals.	Keeping nourished scorecard and exception report presented monthly at Nursing and Midwifery Performance Committee which were scrutinised to ensure, where necessary, patients are always given help to eat meals. Where appropriate trained volunteers and relatives now assist with feeding.	12% increase in the number of patients always given help to eat meals (National Inpatient Survey 2013). Internal patient metrics programme has attained target satisfaction levels of 95% or higher for last 12 months.
9 in 10 patients were not asked to give their views while in hospital	600 patients surveyed each month on the wards asking them to rate the care they receive, results reported to Trust Board every two months. Successful launch of 'The Friends and Family Test' in April 2013 for Inpatients and Emergency patients, Maternity Services commenced in October 2013. The Trust is currently achieving CQUIN baseline target of a 15% response rate.	6% increase in the number of patients who said they were asked to give views whilst in hospital (National Inpatient Survey 2012-13).
1 in 2 patients not informed when they would be discharged from hospital (Inpatient Survey 2012-13). Patient Metrics show 60% of patients said staff did not talk about when they would go home.	The Jonah Programme has been integrated across the Trust. 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. At ward level it focuses on individual patients and engages the multidisciplinary team in setting and delivering a Planned Date of Discharge (PDD). The focus is on defining clear plans for the patient's stay on the ward.	Solihull Hospital patient metrics show a 9% increase in the number of patients who were informed about their discharge date from 68% in the first quarter to 77% in quarter 3. Good Hope increased the number of patients by 15% between April and October, similarly, Heartlands increased by 10% in the same period. However, the results for November and December show a decline which is being monitored.
12% decline in patients who knew how to complain about care received.	Information campaign throughout the Trust, new leaflets and posters were designed that detailed the number of ways patients and relatives can escalate concerns and complaints. Posters are displayed in corridors, wards and outpatient clinics. The leaflets are in display boards and the information is also included in the Trust bedside folders.	5% increase in the number of patients who said they were given information about how to complain about their care (Inpatient Survey 2013).
2 in 3 patients not told about side effects of medication.	The Chief Executive Safety Project focused on medication safety supported by a 'message of the month'.	The Trust set a target of 50% of patients completely told about the side effects of medication. It is monitored through the Key Performance Indicators (KPI). Results from quarter 3 show 47% of patients were told about side effects of medication, an increase of 15% since the previous quarter.

Staff Survey

The National Staff survey was carried out between September and December 2013 with a response rate of 32%. The overall indicator of staff engagement showed statistically no improvement from 2012.

The Trust has put in place a number of initiatives during the past year to try and improve this including specific action planning for certain specialities; listening events and new Apps to start dialogues on safety, the results of which have been mixed. Therefore the Trust has reviewed its approach again and has a number of planned changes for 2014 including the development of a Trust-wide Staff Engagement Strategy as well as introduction of a staff Friends and Family Survey. More information can be found in the Annual Report on p.60-61.





Local and National Priorities

The National Priorities reflect the requirements for Monitor's Compliance Framework. This is one of the tools used by Monitor to assess the compliance of foundation trusts with their Terms of Authorisation and to determine where intervention may be necessary.

The Local Priorities are the main performance indicators, which are a combination of national and local measures, set out in the Trust's contract with the local commissioners. These are used to routinely review the Trust's performance and to hold the Trust accountable where performance is not meeting the required standard.

Description of Target	Target 2013/14	10/11	11/12	12/13	13/14 (Apr13-Mar14)
Reduction of incidence of Clostridium (post 48 hours)*.	67	171	123	86	82
Reduction of incidence of MRSA bacteraemia (post 48 hours).	6	9	8	7	8
Patients first seen by a specialist within two weeks when urgently referred by their GP or dentist with suspected cancer.	>=93%	94.04%	94.50%	93.66%	92.86%
Patients first seen by a specialist within two weeks when urgently referred by their GP with any breast symptom except suspected cancer.	>=93%	94.81%	94.79%	94.64%	93.20%
Patients receiving their first definitive treatment within one month (31 days) of a decision to treat (as a proxy for diagnosis) for cancer.	>=96%	98.62%	97.42%	96.92%	97.92%
Patients receiving subsequent treatment (surgery and drug treatment only) within one month (31 days) of a decision to treat – Anti cancer drug modality.	>=98%	100%	100%	99.72%	100%
Patients receiving subsequent treatment (surgery and drug treatment only) within one month (31 days) of a decision to treat – Surgery modality.	>=94%	98.43%	97.10%	97.42%	98.44%
Patients receiving their first definitive treatment for cancer within two months (62 days) of GP or dentist urgent referral for suspected cancer. **	>=85%	85.62%	85.44%	86.35%	86.72% (Apr13-Feb14)

Patients receiving their first definitive treatment for cancer within two months (62 days) of urgent referral from the National Screening Service.	>=90%	99.44%	98.16%	99.13%	97.00%
Admitted Patients Treated within 18 Weeks of Referral.	>=90%	NA	90.00%	92.03%	89.39%
Non-Admitted Patients Treated within 18 Weeks of Referral.	>=95%	NA	97.82%	96.85%	96.29%
18 week incomplete pathways.	>=92%	NA	NA	95.57%	94.21%
Maximum waiting time of four hours in A&E from arrival, to admission, transfer or discharge.	>=95% target	95.41%	95.97%	93.13%	93.02%
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	6 out of 6	6 out of 6
2013/14					
	Target 2013/14	Qtr1	Qtr2	Qtr4	Qtr4
Community Services Data completeness: Referral to treatment.	50.00%	85.0%	96.32%	96.67%	84.10%
Community Services Data completeness: Referral information.	50.00%	89.10%	97.71%	99.98%	97.01%
Community Services Data completeness: Treatment activity.	50.00%	99.80%	99.99%	99.80%	91.80%

2013/14 has been a challenging year for the Trust in respect of its performance against a number of key targets.

The delivery of the A&E four hour target has proved to be particularly difficult and the Trust has been issued with Enforcement Undertakings by Monitor, our regulator in respect of this, further information on this is provided in the Annual Report.

Performance against the cancer indicators has generally been good with occasional lapses in performance against the two week wait and 62 day cancers, the former due to a significant increase in referrals to the service and the latter in relation to the delivery of our urology cancer pathway. The Trust always works closely with our local CCGs when concerns around delivery of targets arise and develops action plans to improve performance.

Up until quarter four the Trust was delivering all of the 18 week referral treatment indicators, however for the admitted pathway, there had developed an increasing backlog of patients waiting to be treated and a decision was made that over quarter four of 2012/13 and quarter four of 2014/15 to treat some of the longest waiting patients, which means that the Trust will fail the indicator.

The Trust had 88 cases of C.Difficile in the Trust this year, six less than last year and analysis up to the end of quarter three showed that only 24 of these were avoidable.

Away from the main national Monitor targets the Trust is measured against a number of other indicators including:

A range of indicators relating to patients that have had a stroke which is detailed earlier in this report; A number of indicators relating to maternity services - these show that the Trust have improved breast feeding rates to 70% of women initiating breast feeding, up 3% on last year and that there are very good processes in place to ensure that babies that are at risk of developing TB are vaccinated before they leave hospital.

There is still some work to do to improve performance around ambulance handover times and we are working with our partners across the Local Health Economy to address this.

The Trust is pleased that we have been able to reduce the average of length of stay in hospital for patients admitted as an emergency by nearly two days since the start of the year; this shows improvement in our processes for managing discharges.

In order to issue their opinion and long form report, the external auditors tested the following indicators:

	Definition
62 day cancer targets	Maximum waiting time of 62 days from urgent GP referral to first treatment for all suspected cancers
Clostridium Difficile	Number of C.Difficile infections.
Stroke Swallow assessment	Number of confirmed strokes having a swallow screen within four hours of presentation

The above table summarises the definitions used for each indicator.

Part 4:

Statements from Stakeholders

Statement from Solihull Clinical Commissioning Group

The statement is from Solihull CCG as host commissioners for the Heart of England Foundation Trust. The statement has been developed and informed and approved by a number of additional organisations including patient representatives across the local health economy as defined.

2013/14 has been a challenging year for the Trust and Commissioners with a significant emphasis placed on improving quality and the patient experience of care. The year started with a follow-up 'risk' summit during May 2013 led by NHS England to review the implementation of the Trust's actions to improve both the patient experience of A&E services and the Trust's achievement of the A&E four hour wait target. The Trust has undertaken a number of internal reviews and initiatives to improve the experience of care in A&E. However, this remains a challenge. This has been more recently identified through the CQC Trust wide inspection during November 2013. Commissioners were present at the CQC Quality Summit in January 2014 and the Trust has submitted an action plan to the CQC.

Commissioners are content that the information contained in the quality account represents a fair and balanced view of the acute services. They are however, disappointed that the account does not reflect detailed information on community services as required in the MONITOR NHS Foundation Trust annual reporting manual 2013/14. In addition, there is very little information in relation to maternity or paediatric services.

As commissioners we wish to comment on the particular areas:

Reducing Avoidable Harm

As stated within the account, the Trust reported five never events during the year 2013/14. This is an increase on last year. Commissioners issued a contract query to the Trust during December 2013 to understand the extent to which the Trust had put in place effective systems and processes to minimise recurrence. A remedial action plan was developed which involved the Trust reviewing all of the reported never events over a period of three years. The Commissioners welcome the Trust's reflection that some previous actions did not result in the cross site sustained learning and acknowledge the introduction of executive led challenge meetings.

⁷Birmingham Cross City CCG, South East Staffs and Seisdon CCG, NHS England, Birmingham South Central CCG

⁸The manual states that 'where an NHS Foundation Trust has provided and/or subcontracted community health services during 2013/14, the NHS Foundation Trust should include such community health services in the review of services in the quality report

Commissioners led two themed reviews during the year 2013/14. The first was a falls themed review in collaboration with the Trust during June 2013. The Trust reports all falls resulting in serious injury to Commissioners. Following the review an action plan was received (December 2013) which detailed a number of work-streams to reduce the number of falls. The Commissioners note the Trust's commitment to maintain a focus on falls and they have placed a contractual requirement for reductions and improved outcomes during 2014/15.

Commissioners also undertook a themed review of pressure ulcers during February 2014. The report has been provided to the Trust with an action plan being developed. The Trust has a contractual requirement for pressure ulcer reduction during 2014/15.

Trust Priorities 2014/15

Commissioners welcome the continued focus on Falls and Pressure Ulcers as continuing priorities for 2014/15.

The Trust has provided a progress update against the priorities set during 2013/14. The Quality Account does not specifically reference the Chief Nurse (for England) national '6 Cs' campaign as a Trust-wide priority. The Commissioners do acknowledge the Trust's priority for 'fundamentals of care' and support the work the Trust is implementing and embedding as a result of this priority. They particularly commend the work in relation to the compassionate care packs, and the compassionate carers project together with the Trust's implementation of the 'hello my name is' campaign. The Commissioners are unclear from the Quality Account how the 'fundamentals of care' is applied specifically within community services.

Although the Commissioners welcome the continued clinical focus on stroke, dementia and fractured neck of femur and the focus for improved safety and experience of discharge arrangements, they note that the Trust has chosen to roll forward priority one to four for a third consecutive year and priority five to seven for a second consecutive year rather than identify new priorities and focus on continual improvement of the previous priorities as a core business activity.

Patient Safety

The Trust's safety manuals demonstrate one way the Trust seeks to improve patient safety. The Trust has developed some innovative methods for communicating and commissioners note the emergency medicine and the neonatal safety App in particular. Medication safety is a particular area of focus for commissioners during 2014/15 and they welcome the Trust's identification of this as a top priority. They feel that the Trust's patient safety section could be strengthened with further detail in relation to safety improvement programmes for community services.

It is positive that there has been an increase of staff awareness of SIS (significant incidents) however they would welcome a continued focus on this to increase staff awareness during 2014/15.

⁹Compassion in practice – Care, compassion, competence, communication, courage and commitment

The Trust is commended in its approach to commissioning and reporting of the independent review of breast services in Solihull and it is the opinion of commissioners that the Quality Account should reflect some of the detailed work-streams arising from this review.

Patient Experience

It is pleasing to note that the number of complaints referred to the Parliamentary Health Services Ombudsman has reduced as has the number of complaints upheld/partially upheld. The Commissioners support the Trust's focus on its complaints management and in particular the deliverables and key performance indicators the Trust is measuring to demonstrate an improved service which places 'the complainant at the heart of the complaint'. Whilst the quality account highlights some of the main patient experience projects carried out during 2013, it would have been beneficial to demonstrate some quality improvement initiatives as a result of complaints. Similarly there is no detail included as to the actions taken to improve patient experience as a result of the Friends and Family Test.

Safeguarding

It is disappointing that the Trust has not outlined any key strategic challenges in relation to the safeguarding agenda and Commissioners view this omission as surprising given the looked after children and safeguarding review of Solihull undertaken by the CQC during February 2014 and the Serious Case Review published during 2013/4.

To summarise, Commissioners welcomed the opportunity to comment on the account and to reflect on the year. They acknowledge the challenges that the Trust faced and acknowledge some of the key achievements of the Trust during 2013/14. The Commissioners do however feel that the Quality Account could define more clearly the learning outcome and impact on patients and be more patient and public friendly in the language and terminology used. Commissioners look forward to continuing to work collaboratively with the Trust during 2014/15.

Patrick Brooke
Chief Officer
Solihull CCG

Sue Nicholls
Chief Nurse
Solihull CCG

Statement from Solihull Healthwatch Organisation

This report describes our judgment of the quality of care based on the submission of the Trust's Quality Account 2013/14. It is based on a combination of what we have observed from the statements in the report, information from the recent Care Quality Commission (CQC) inspection and members of the public.

Healthwatch Solihull (HWS) recognises the challenges the Trust has faced over the past 12 months since its last report with regards to Accident and Emergency (A&E) waiting times and that the Heart of England NHS Foundation Trust, across all the three sites, is below the national average in the Friends and Family Tests introduced in both A&E and inpatients. The Trust scored 68, out of a possible score of 100 in the August inpatient Friends and Family Test, significantly below the national average of 72, with a response rate of 19%. The Trust scored 35 out of a possible score of 100 for the A&E department, again significantly below the national average of 64. The response rate was 15.1% for the department, which was above the national average of 11.3%.

It also acknowledges that in November 2013 the Trust received a new style of CQC inspection that generated candid reports across all three sites following announced and unannounced visits. Healthwatch Solihull was present at the CQC Quality Summit in January 2014. The Heart of England NHS Foundation Trust has been inspected 17 times across its different locations since registration with the CQC in 2010.

Healthwatch Solihull is keen to monitor progress as are the Trust's regulators Monitor to see how the Trust is progressing against its four action plans and each of the sets of compliance actions raised in the CQC reports.

The outcomes from the Trust's involvement in the special review by the CQC relating to 'looked after children and safeguarding in Solihull' is of special interest to HWS as Children's services falls within the statutory framework of all local Healthwatch.

The Trust is to be praised for the very good work it does on a day to day basis caring for patients and being responsive to patients' needs. The E-JONAH system that highlights patients who are medically fit for discharge and promotes multidisciplinary working to discharge patients effectively whilst very new, is showing evidence of working well.

Despite some of its recognised difficulties facing all acute service providers, it is a credit to the Trust how they respond to people with mental health conditions, particularly at the Heartlands site. Once admitted to hospital the process from initial assessment to diagnosis and help and support (Rapid, Assessment, Interface and Discharge [RAID] team) is reportedly seen to be quick, with nursing staff demonstrating a genuine concern and empathy for the individual.

Healthwatch Solihull would like to see the following improvements:

- The efficient running of operating lists to reduce the number of cancelled operations. This is very distressing to patients when they mentally prepare for elective surgery to have an appointment cancelled at the last minute;
- Nutrition for frail elderly, that very sick patients are not just left to feed themselves and given food that is difficult for them to eat;
- Clarification with regards to the services provided by the A&E department at Solihull; and
- To be proactive in the Trust's commitment to meet its four action plans against each of the sets of compliance actions raised in the CQC reports.

These improvements are consistent with other external reports and HWS will continue to support the Trust by providing independent external challenge where appropriate.

Samantha Mills
CEO – Healthwatch Solihull

Statement from Birmingham Healthwatch

Organisation

Healthwatch Birmingham recognise that Quality Accounts are a useful contribution to ensuring NHS providers are accountable to patients and the wider public about the quality of the services they provide. We welcome the opportunity to comment on the draft Quality Account and Report 2013/14 for Heart of England NHS Trust.

The Quality Account reflects a challenging year for the Trust, and Healthwatch Birmingham is pleased that the Trust has decided to continue to focus on all seven of the priority areas identified for improvement in the previous year.

We have the following observations with regard to performance against a number of the priority areas in 2013/14:

Fundamentals of care

There are a number of examples of good practice reported, such as the introduction of dignity pyjamas and the trialling of compassionate care packs for carers. Poor performance on the level of prompt response to call buzzers and on involving patients in decisions on their treatment and care both indicate areas for further improvement.

Falls

The Trust retains a clear commitment to reducing falls, whilst acknowledging they account for the largest number of adverse events reported. Trend data in the draft Quality Account & Report indicates areas for improvement including on putting care plans in place to minimise the risk of falls and carrying out bedrail assessments. These seem to be relatively easy improvements to implement.

Fractured neck of femur

Whilst there have been significant improvements across the nine indicators, which we welcome, there remain some areas of concern. Birmingham Heartlands Hospital indicates the reason for delays in 31% of incidents is “unknown”, and 45% of delays at Good Hope Hospital are attributed to “awaiting space on theatre list”. Given that each hospital performs much better in the other’s area of concern, there may be lessons to learn from each site to improve performance.

Stroke

Healthwatch Birmingham shares the Trust’s view that its 50.6% achievement in the target on direct admission to a Stroke unit within four hours needs to improve further. This is particularly the case for the Solihull data where the 50% target has been significantly missed through the reported trend data. Healthwatch Birmingham would like to see evidence in the year ahead of how the local and regional plans referred to are implemented.

Dementia care

Performance against the standards reported on indicates welcome improvements in dementia care, particularly relating to the querying of dementia diagnosis in unplanned admission. However, the Commissioning for Quality and Innovation (CQUIN) data highlights that targets on dementia screening and referral require further improvement.

Care Quality Commission (CQC)

We have reviewed the January 2014 CQC report alongside the draft Quality Account & Report. The CQC report rated the Trust as “requires improvement” in four of the five rating areas. In addition, performance against the Friends & Family Test was reported by the CQC as “significantly below the national average” in inpatient and Accident & Emergency scores. There were mixed patient experiences, from high scores in the Cancer Patients Experience Survey through to poor scores in the clarity of response from hospital doctors, pain management and patients’ ratings of care. The CQC acknowledged that the experience of patients interviewed in its November 2013 inspection indicated more positive patient experience, which is reflected by positive patient ratings on Healthwatch Birmingham’s Feedback Centre for Heartlands Hospital. We would like to see the Trust develop further plans to improve patient experience as a whole, and note that action plans have been put in place to deal with the compliance issues raised by the CQC.

Patient experience

Healthwatch Birmingham welcomes the increase in the rate of early complaint resolution, though we agree with the Trust that more needs to be done to improve this further. The patient survey indicates a lot of positive experience from patients though further work is needed to improve the lowest 20% of scores.

Overall the Trust has demonstrated progress across its priority areas, and acknowledges the further work that needs to be done to improve in the year ahead. Healthwatch Birmingham. Healthwatch Birmingham looks forward to seeing how the Trust carries forward learning into its future service planning and provision.

Statement from Solihull Healthier

Communities Board

The Board considered the draft Quality Account at their formal Scrutiny Board meeting that took place on 9th April 2014. The Board were made aware that some of the content of the draft Quality Account was mandated and therefore was in a less accessible format. The Board placed on record their disappointment on not being able to see the Chief Executive's summary prior to their consideration of the draft Account as they felt this would have helped them to gain an understanding of Trust's perspective on their performance. An apology was made and this statement was circulated to the Scrutiny Board following the Scrutiny Board meeting.

We have read the Trust's Quality Account and similar to last year found that within the Account there was incomplete information/data which was disappointing and will inevitably impact on our comments. We again reiterate the need for the Trust to supply up-to-date and complete information to the Scrutiny Board and its other stakeholders to increase the Trust's transparency and accountability. We also feel that the Trust's Annual Report should be published at the same time as the Quality Account, contain similar information and readily be made available to the Scrutiny Board and its stakeholders. We also feel that the review by Sir Ian Kennedy into practices of Mr Ian Paterson should have been included in the Quality Account as this has been a significant issue which is likely to have affected the performance of the Trust.

Whilst we recognise that there has been some progress throughout the year and note the findings of the CQC inspection into the Trust, we find that there is a need to make significant substantial improvements in the Trust's identified priorities, particularly in the area of fundamentals of care, hospital discharge and staffing capacity issues. One of our Members actually spent some time in Solihull and Heartlands Hospital receiving treatment and found through her own experiences and by listening to the experience other patients, there appeared to be a number of concerns on which she intended to write to the Trust Board. The Scrutiny Board supported her in taking this action and asked that any response received from the Trust be shared with the Scrutiny Board.

Based on the information we have analysed within the Account and evidence we have received from members of the public, we are concerned about the following areas and would like the Trust to place extra emphasis on improving the following areas for patients in the following year.

- **Hospital Discharge** – Although we recognise that the Jonah system is in place, we still feel there is work for the Trust to do to discharge patients in a timely way and ensure that there is proactive working with the Trust's partners and with the community sector to improve discharge arrangements including communications with patients and their families.

- **Food and nutrition** – Although we recognise that the Trust had scored highly in terms of nutrition, it was felt that some nursing practitioners needed to strengthen their professional support in helping the frail elderly to eat their meals and reducing food wastage through the provision of high quality meals.
- **Falls** – Although we recognise that the Trust has put initiatives in place to reduce falls, we note that they are still occurring and therefore more work needs to be done to dramatically improve performance in this area and significantly reduce the number of falls occurring in hospital.
- **Pressure Ulcers** - We feel that the Trust needs to strengthen their use of national / international research in reducing the occurrences of pressure ulcers and also consider reinforcing the monitoring of patients who arrive in hospital with pre-existing pressure ulcers.
- **Fractured Neck of Femur** – We feel that there is a need to improve performance in this area and not just being able to reach a localised target.
- **Dementia** – We have noted the areas of under-performance and ask that the Trust ensures that their work is better aligned to the emerging localised dementia strategy.

Overall, we welcome the opportunity to comment on the Trust Quality Account and look forward to working with the Trust over the next 12 months. In particular, we are keen to follow-up in a number of areas and analyse complaints information from the Trust.

Statement from Heart of England NHS Foundation Trust Consultative Healthcare Council (CHC)

The Consultative Healthcare Council welcomes the opportunity to make comments on the Quality Account.

The Consultative Healthcare Council is a Patient/Carer organisation whose remit is patient care and the care environment, and we carry out ward inspections across the hospitals and clinics, which make up the Heart of England NHS Foundation Trust.

As our remit is patient care, it is encouraging that the main themes for the future are very much built around illnesses and injuries which affect older people; and this is appropriate due to the increase in the elderly population. This is reflected in the number of patients in the over 65 age group, and this forward planning is to be welcomed.

Continuing improvements in patient care, standards of cleanliness and infection control have been found in the ward inspections that the CHC have carried out over the past 12 months. However, CHC members are concerned over the effect of staff shortages on staff morale. However we also recognise the proactive efforts to recruit nurses.

The Consultative Healthcare Council broadly welcomes the findings of the Quality Accounts.

Chairman Mick Corser
Vice Chairman Ann Horton

Directors' Statement of Responsibilities

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations to prepare Quality Accounts for each financial year.

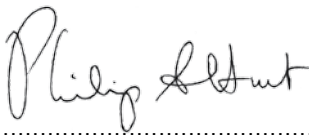
Monitor has issued guidance to NHS foundation trust boards on the form and content of annual quality reports (which incorporate the above legal requirements) and on the arrangements that NHS foundation trust boards should put in place to support the data quality for the preparation of the quality report.


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

- The content of the Quality Report meets the requirements set out in the NHS Foundation Trust Annual Reporting Manual 2013/14;
- 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 2013 to the date of the signed quality report.
 - Papers relating to Quality reported to the board over the period April 2013 to the date of the signed quality report.
 - Feedback from the commissioners dated 28/04/2014
 - Feedback from governors dated 12/07/2013; 04/10/2013; 12/02/2014; 28/03/2014.
 - Statement from the Consultative Health Council - April 2014
 - Feedback from Local Healthwatch organisations dated 18/04/2014 from Birmingham Healthwatch and 22/04/2014 from Solihull Healthwatch.
 - The trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 08/05/2014;
 - The [latest] 2013 national patient survey March 2014.
 - The [latest] 2013 national staff survey April 2014.
 - The Head of Internal Audit's annual opinion over the trust's control environment dated 30 April 2014.
 - CQC quality and risk profiles dated April 2014; July 2014 and the Intelligent Monitoring Report March 2014.
- The Quality Report presents a balanced picture of the NHS foundation trust's performance over the period covered;
- The performance information reported in the Quality Report is reliable and accurate;
- There are proper internal controls over the collection and reporting of the measures of performance included in the Quality Report, and these controls are subject to review to confirm that they are working effectively in practice;
- The data underpinning the measures of performance reported in the Quality Report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review; and
- The Quality Report has been prepared in accordance with Monitor's annual reporting guidance (which incorporates the Quality Accounts regulations) (published at www.monitor.gov.uk/annualreportingmanual) as well as the standards to support data quality for the preparation of the Quality Report (available at www.monitor.gov.uk/annualreportingmanual).

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

By order of the Board

27 May 2014 Date.....Chairman


27 May 2014 Date.....Chief Executive


Auditors' Report

Independent Auditors' 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 for the year ended 31 March 2014 (the 'Quality Report') and specified performance indicators contained therein.

Scope and subject matter

The indicators for the year ended 31 March 2014 in the Quality Report that have been subject to limited assurance (the "specified indicators") consist of the following national priority indicators as mandated by Monitor:

Specified indicators	Relevant criteria
Number of Clostridium difficile infections	As detailed on page 187 of the Quality Report
Maximum cancer waiting time of 62 days from urgent GP referral to first treatment for all cancers ('62 day cancer treatment')	As detailed on page 188 of the Quality Report

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 specified indicators criteria referred to on pages of the Quality Report as listed above (the "Criteria"). The Directors are also responsible for the conformity of their Criteria with the assessment criteria set out in the NHS Foundation Trust Annual Reporting Manual ("FT ARM") and the "Detailed requirements for quality reports 2013/14" issued by the Independent Regulator of NHS Foundation Trusts ("Monitor").

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:

- The Quality Report does not incorporate the matters required to be reported on as specified in Annex 2 to Chapter 7 of the FT ARM and the "Detailed requirements for quality reports 2013/14";
- The Quality Report is not consistent in all material respects with the sources specified below; and
- The specified indicators have not been prepared in all material respects in accordance with the Criteria and the six dimensions of data quality set out in the "2013/14 Detailed guidance for external assurance on quality reports".

We read the Quality Report and consider whether it addresses the content requirements of the FT ARM, and consider the implications for our report if we become aware of any material omissions.

We read the other information contained in the Quality Report and consider whether it is materially inconsistent with the following documents:

- Board minutes for the period April 2013 to the date of signing this limited assurance report ("the period");
- Papers relating to Quality reported to the Board over the period;

- Feedback from the Commissioners (Solihull Clinical Commissioning Group) dated 28/04/14;
- Feedback from Governors;
- Feedback from local Healthwatch organisations (Solihull Healthier Communities Board and Birmingham Healthwatch Organisation, dated 22/04/14 and 18/04/14 respectively);
- The trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009;
- The 2013 national patient survey;
- The 2013 national staff survey;
- Care Quality Commission intelligent Monitoring Reports dated March 2014;
- Care Quality Commission inspection report dated January 2014; and
- The Head of Internal Audit's annual opinion over the Trust's control environment dated 30 April 2014.

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 are in compliance 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 2014, 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:

- reviewing the content of the Quality Report against the requirements of the FT ARM and "Detailed requirements for quality reports 2013/14";
- reviewing the Quality Report for consistency against the documents specified above;
- obtaining an understanding of the design and operation of the controls in place in relation to the collation and reporting of the specified indicators, including controls over third party information (if applicable) and performing walkthroughs to confirm our understanding;
- based on our understanding, assessing the risks that the performance against the specified indicators may be materially misstated and determining the nature, timing and extent of further procedures;
- making enquiries of relevant management, personnel and, where relevant, third parties;
- considering significant judgements made by the NHS Foundation Trust in preparation of the specified indicators;
- performing limited testing, on a selective basis of evidence supporting the reported performance indicators, and assessing the related disclosures; and
- reading 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 Criteria referred to above.

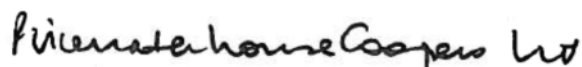
The nature, form and content required of Quality Reports are determined by Monitor. This may result in the omission of information relevant to other users, for example for the purpose of comparing the results of different NHS Foundation Trusts.

In addition, the scope of our assurance work has not included governance over quality or non-mandated indicators in the Quality Report, which have been determined locally by 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 for the year ended 31 March 2014;

- The Quality Report does not incorporate the matters required to be reported on as specified in Annex 2 to Chapter 7 of the FT ARM and the "Detailed requirements for quality reports 2013/14";
- The Quality Report is not consistent in all material respects with the documents specified above; and
- The specified indicators have not been prepared in all material respects in accordance with the Criteria and the six dimensions of data quality set out in the "2013/14 Detailed guidance for external assurance on quality reports".



PricewaterhouseCoopers LLP
Chartered Accountants
Birmingham
29 May 2014

The maintenance and integrity of the Heart of England NHS Foundation Trust 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.

Directors' Report

The Board and Board Committees

The Directors serving on the Board during 2013/14 were:

Lord Philip Hunt - Chairman \ ‡ •
Dr Mark Newbold - Chief Executive •
Dr Aresh Anwar - Medical Director (resigned 20 December 2013)
Dr Patrick Cadigan - Non-executive Director \ ‡ (appointed July 2013)
Dr Andrew Catto - Medical Director (appointed 1 March 2014)
Mrs Anna East - Non-executive Director and Deputy Chair \ ‡ • (resigned 30 June 2013)
Mrs Sam Foster - Acting Chief Nurse (appointed 1 September 2013)
Mr Simon Hackwell - Commercial and Strategy Director
Ms Najma Hafeez - Non-executive Director \ ‡ (resigned 31 August 2013)
Mr Paul Hensel - Non-executive Director \ ‡ ‡ (resigned 31 July 2013)
Mr Les Lawrence - Non-executive Director, Deputy Chair and Senior Independent Director \ ‡ •
Mr David Lock QC - Non-executive Director \ ‡ ‡ (appointed 1 July 2013)
Ms Alison Lord - Non-executive Director \ ‡ ‡ (appointed 1 May 2013)
Professor Edward Peck - Non-executive Director \ ‡ ‡
Dr Jammi Rao - Non-executive Director \ ‡ ‡ (appointed 1 July 2013)
Dr Clive Ryder - Acting Medical Director (appointed 23 December 2013 – resigned 28 February 2014)
Professor Laura Serrant - Non-executive Director \ ‡ ‡
Mr Adrian Stokes - Director of Finance and Performance (to 8 December 2013) Director Emergency Pathway Transformation and Deputy Chief Executive (from 9 December 2013)
Ms Mandie Sunderland - Chief Nurse (resigned 30 September 2013)
Ms Lisa Thomson - Director of Corporate Affairs and Corporate Governance
Dr Sarah Woolley - Director of Safety and Organisational Development

\ Independent ‡ Audit Committee ‡ Remuneration Committee
• Nominations Committee

Mr Aidan Quinn was appointed Director of Finance and Performance - a non-voting position (from 9 December 2013)

The Council of Governors approved the appointment of Mr Lawrence as Chairman Designate with effect from 1 April 2014, in the expectation that he will succeed Lord Hunt as Chairman with effect from 1 June 2014.

In addition to the Chairman, the Board currently comprises seven Executive Directors and seven Non-executive Directors.

The Board is responsible for the overall management and performance of the Trust. There is a formal schedule of matters that are reserved to the Board. That schedule provides a framework for the Board to oversee the Trust's affairs, and it is available to view on the Trust's

website; it includes, amongst other things, (1) approval and variation of the Trust's long-term objectives and strategy, operating and capital budgets, governance arrangements, systems of internal control, treasury policies, significant changes in accounting policies, standing orders and standing financial instructions, (2) changes to the Trust's capital structure, management and control structure and corporate structure, (3) the appointment and dissolution of Board

committees and approval of their terms of reference, (4) oversight of the Trust's operations and review of its performance, and (5) approval of the annual report and accounts. Any matters that are not reserved to the Board are delegated to the Chief Executive, who is responsible for the day-to-day management of the Trust. The role of the Governors is set out in the Constitution, which is also available to view on the Trust website, and summarised on pages 213-215.

The Board normally meets in formal public session six times per year, and also on an ad hoc basis when necessary. It 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 bring a range of skills and experience to their role on the Board to ensure

the balance, completeness and appropriateness of the Board to the requirements of the Trust. The biographical details of the Directors can be found on pages 12 to 19.

The principal Board Committees comprise:

- Audit Committee
- Finance & Performance Committee
- Nominations Committee
- Quality & Risk Committee
- Remuneration Committee

Their terms of reference are available from the Company Secretary on request.

Directors' Attendance at Meetings

The following table shows the attendance of Directors at Board and key committee meetings during the year.

Meetings	Board		Audit Committee		Remuneration Committee		Nominations Committee	
	Attended	Relevant number	Attended	Relevant number	Attended	Relevant number	Attended	Relevant Number
Director	10		7		3		2	
A Anwar	5	6	-	-	-	-	-	-
P Cadigan	6	8	-	-	-	-	-	-
A Catto	1	1	-	-	-	-	-	-
A East	8	8	2	2	0	0	0	0
S Foster	7	8	-	-	-	-	-	-
S Hackwell	10	10	-	-	-	-	-	-
N Hafeez	0	2	-	-	0	0	-	-
P Hensel	2	2	3	3	0	0	-	-
P Hunt	10	10	-	-	3	3	2	2
L Lawrence	10	10	-	-	3	3	2	2
D Lock	8	8	2	4	2	3	-	-
A Lord	9	10	5	5	2	3	-	-
M Newbold	10	10	-	-	-	-	2	2
E Peck	7	10	2	7	3	3	-	-
J Rao	8	8	3	4	3	3	-	-
C Ryder	3	3	-	-	-	-	-	-
L Serrant	7	10	5	7	3	3	-	-
A Stokes	9	10	-	-	-	-	-	-
M Sunderland	2	2	-	-	-	-	-	-
L Thomson	10	10	-	-	-	-	-	-
S Woolley	2	4	-	-	-	-	-	-

Audit Committee

The work of the Audit Committee is to:

- Review 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;
- Ensure that there is an effective internal audit function that provides appropriate independent assurance to the Audit Committee, Governance and Risk Committee, Chief Executive and Board;
- Ensure that there are effective counter-fraud arrangements established by management that provide appropriate independent assurance to the Audit Committee, Quality and Risk Committee, Chief Executive and Board;
- Consider and make recommendations to Audit Appointments Committee of the Council of Governors in relation to the appointment, re-appointment and removal of the external auditor and to oversee the relationship with the external auditor;
- Monitor the integrity of the financial statements of the Trust, reviewing significant financial reporting issues and judgements which they contain and review significant returns to regulators and any financial information contained in other official documents including the Annual Governance Statement; and
- Review the Trust's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters and ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow-up action.

In 2013/14 the Committee met seven times and discharged its responsibilities as set out in its terms of reference. It operates to a clearly defined annual business programme that the Committee sets for itself annually in advance. It receives comprehensive reports from the Director of Finance, the Director of Safety and Organisational Development together with reports from both the internal and external auditors.

The Committee reviewed in detail the compilation and progress of the Quality Report. The Director of Finance Reports highlighted to the Committee the key issues the Trust faced in financial reporting in the year. The changes in Monitor's Annual Reporting Manual (ARM) were reported and in particular the requirement for the consolidation of the charitable funds into the Trust Financial Statements was reinforced

to ensure that the Committee was aware of the implications of this change. The key movements in balances in the Statement of Financial Position (SOFP) were also highlighted. The Committee had a detailed discussion on the requirements of the Quality Report and the need for assurance on the data quoted in that report.

The Trust does not have its own internal audit function but appoints another organisation to provide this service. For the 2013/14 year KPMG LLP provided internal audit and counter-fraud services. Towards the end of 2013 the Committee managed the process to appoint an internal audit provider for the three year term 2014/15 to 2017/18. Deloitte LLP were appointed following a competitive tender process and an effective handover from KPMG has taken place.

The Trust uses its Board Assurance Framework to continually evaluate the risks the Trust is facing. The Trust-wide risk register is reviewed at the Governance & Risk Committee and the Audit Committee as well as being circulated to the executive team. At the start of the year an internal audit work programme is developed using feedback from managers, executive directors and non-executive directors to identify the risks facing the Trust and those where a focused piece of internal audit work would be of benefit.

In addition to the regulatory requirements for core internal audit reviews (including financial systems, IT controls, risk management and compliance arrangements) a programme of clinical reviews and business operations reviews were carried out. The clinical reviews included areas such as site based governance and quality governance as well as specific reviews of bed management and mortality rates. These reports are considered by the Governance & Risk Committee before they are presented to Audit Committee. The business operations reviews covered specific areas identified as risks by management such as waste management, recruitment and selection and reference costs. For all these reviews a report with actions to address risks is agreed with the management team for that area before being presented to Audit Committee. Where the auditors raise concerns a remedial action plan is presented to Audit Committee. The Committee tracks progress against these action plans and also reviews the implementation of previously agreed actions. At the end of the 2012/13 year a survey of all committee members, Trust Board member and managers who had received internal audit reports in the year to assess the performance of the internal audit function. Feedback from this survey was given to KPMG and actions for improvement were identified and implemented in the 2013/4 year.

The Trust's external auditors are PricewaterhouseCoopers (PwC), and the 2013/14 year is the second of a three year contract. This contract was awarded in January 2012 through a competitive tender process. PwC presented its plan to the committee which set out its planned approach, an assessment of the risks and controls and proposed areas of focus. PwC worked with internal audit to identify areas where they could rely on work performed already as part of the internal controls work. All non-audit work proposed to be undertaken by the external auditors is recommended to the Audit Committee by the Director of Finance, 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 are 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. The external auditors have performed two pieces of additional work in the 2013/14 year, one to assist the Trust with its preparation for the CQC visit and the second to help improve the integration work of the Solihull site team. The second was a piece of work originally commissioned in 2012/13 but due to the changes in the commissioning environment was delayed until the 2013/14 year. The total value of these two pieces of work was £103k and is shown in note 4.1 of the accounts. As part of a continuous improvement in audit services, in August and September 2013 the Finance and Governance teams held meetings with PwC to review the effectiveness of the 2013 audit and devise an action plan for improvement. In addition, the Audit Committee members discussed the effectiveness of the external audit services.

The Committee regularly reviewed the activities of the counter-fraud team. In April 2013 the Trust submitted a return under the new self-assessment tool and monitoring regime and was graded as amber-green. There were no concerns raised around the provision of counter-fraud services by the central NHS Protect assessment team.

As required by its Terms of Reference, the Committee undertook a review of its own effectiveness during the year as well as the effectiveness of internal and external audit. The key issues arising out of this was the training offered to new non-executive directors, for them to better understand the work of the Committee, and the timing of meetings which have since been changed.

The Committee consists solely of independent non-executive directors and at least one member has recent and relevant financial experience. Mrs East was the Chair of the Committee from April to June 2013 until her term as a non-executive director ended and Ms Lord became the new Chair of the Committee from July 2013.

The attendance of Committee members is shown in the table on page 205.

Nominations Committee

The work of the Nominations Committee is to:

- Review the size, structure 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; and
- Identify and nominate suitable candidates to fill executive director vacancies.

The Nominations Committee is chaired by the Chairman, Lord Hunt, and has met twice during the year.

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 recommendation of non-executive directors, including the Chairman, and for making recommendations to the Council of Governors. The Council of Governors Remuneration Committee is responsible for making recommendations as to their terms and conditions of employment.

During 2013/14, the Council of Governors Appointments Committee, chaired by the Lead Governor and exclusively comprising Governors, undertook the process to recruit a successor to the Chairman. The process included preparing a job description and candidate specification, advertising in the national and local press, interviewing and short-listing candidates. Updates on the process were regularly reported on to the Council of Governors and a recommendation of the preferred candidate was ultimately made to the full Council of Governors. A similar process was undertaken by the Council of Governors Appointments Committee, chaired by the Chairman, for the appointment of four non-executive directors during 2013/14.

In the case of Executive Director vacancies, the Nominations Committee draws up the job description and person specification, undertakes the recruitment process and then makes a recommendation to the Appointments Committee of the Board. It is for the non-executive directors to appoint and remove the Chief Executive although the appointment of the Chief Executive also requires the approval of the Council of Governors.

Remuneration Committee

A full report from this committee is set out on pages 219 to 222.

Political Donations

The Trust made no political donations during 2013/14.

Future Developments and Research & Development

Information on likely future developments and Research & Development are described in the Strategic Report which can be found on p.64 to 65, and in the statement of Other Disclosures in the Public Interest on p.210.

Employment, Disability, Training, Consultation and Communication

Policies regarding employment, disability, training, consultation and communication are described in the Strategic Report, which can be found on p.62 to 63, and in the statement of Other Disclosures in the Public Interest on p.212.

Financial Instruments

Information regarding financial risk management objectives and policies and exposure of the Trust to price, credit, liquidity and cash flow risks arising from financial instruments can be found in Note 29 of the accounts.

Enhanced Reporting on Quality Governance

The Strategic Report, which can be found on pages 22 to 85, the Quality Account & Report, which can be found on pages 86 to 203, and the Annual Governance Statement, which can be found on pages 224 to 235, discuss quality governance and quality in further detail, supplementing the information on quality governance found in this report. 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), it has, and will keep in place, effective arrangements for the purpose of monitoring and continually improving the quality of health care provided to its patients.

Code of Governance

An updated version of the NHS Foundation Trust Code of Governance (“the Code”) was issued by Monitor in December 2013 and succeeded the version issued in March 2010. The 2013 version of the Code applies from 1 January 2014.

The Code is issued as best practice guidance, on a ‘comply or explain’ basis; however, certain disclosure requirements apply in relation to the Code.

The Board considers that throughout the year it was fully compliant with the principles of the Code, save that:

- Mr Lawrence was appointed as the first Senior Independent Director of the Trust with effect from 1st July 2013, prior to which, although Mrs East was Deputy Chair, no senior independent director had been formally appointed; and
- Prior to 1st April 2012, the Trust routinely appointed and re-appointed Non-executive Directors for four year terms; the last Directors appointed on this basis, Mrs East, Ms Hafeez and Mr Hensel stepped down during 2013/14. Ms Lord was appointed for a term of three years and two months from 1st May 2013. Non-executive Directors appointed since 1st July 2013 have all been appointed on three year terms.

The role of the Board is described on page 204. An outline of the role and responsibilities of the Council of Governors can be found on page 213.

The identity of the chairperson, the deputy chairperson, the senior independent director, the chief executive and members of the key committees of the Board can be found on page 204.

The identity of the members of the Council of Governors, their constituencies, details of their elections and appointments, the identity of the lead and deputy lead Governor and the number of meetings and attendance are described in the Governors Report, which can be found on pages 213 to 215.

The Board regards all of the Non-executive Directors as independent in character and judgement.

The Governors have not exercised their power under paragraph 10C** of schedule 7 of the NHS Act 2006 to require one or more Directors to attend a Council of Governors meeting; however, both Non-executive and Executive Directors routinely attend meetings of the Council of Governors.

The performance of the Board and its committees is evaluated through the appraisal process for the Chairman and the Non-executive Directors. In addition, part of the programme of work arising from the Kennedy Review (see pages 48 to 49) has focused on Board and committee performance; this work is ongoing.

The Chairman was appraised by the Senior Independent Director and the Lead Governor during the year. The outcome was reported to the Council of Governors at the Annual General Meeting in September 2013.

The three Non-executive Directors who were in post throughout 2013/14, Mr Lawrence, Prof Peck and Prof Serrant, were subjected to an appraisal conducted by the Chairman, the outcome of which was reported to the Council of Governors in September 2013. Mrs East, Ms Hafeez and Mr Hensel stepped down during the year and weren't subject to an appraisal. Dr Cadigan, Mr Lock, Ms Lord and Dr Rao joined the Board during the year, so were not subjected to an appraisal. All Non-executive Directors who are expected to be in post throughout 2014/15 will be subject to an appraisal.

All Executive Directors are appraised annually by the Chief Executive (and the Chief Executive by the Chairman), as part of the Trust's evaluation process and appraisal policy.

In 2014/15 Internal Audit will be undertaking a Governance Review that will, amongst other things, consider the performance of the Board and its committees.

The Directors fully explain their responsibility for preparing the Annual Report and Accounts on page 236.

Information concerning the effectiveness of the Trust's system of internal controls can be found in the Annual Governance Statement on pages 224 to 235.

The Trust outsourced its Internal Audit function to KPMG LLP for 2013/14 and has outsourced it to Deloitte LLP for 2014/15. The Internal Audit function reports to the Audit Committee and presents the results of clinical reviews to the Quality & Risk Committee.

By routinely attending meetings of the Council of Governors and its committees both the Executive Directors and the Non-executive Directors develop an understanding of the views of Governors and members. In addition, the

Governors have direct access to the Chairman and the Company Secretary, both at meetings and informally, which enables them to channel their views to and receive feedback from the Directors.

A report on Membership Strategy and Engagement can be found on pages 216 to 218. This includes contact information, eligibility, membership numbers and a summary of the membership strategy.

The other significant commitments of the Chairman were:

- 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
- President, Royal Society of Public Health
- President, Health Care Supply Association
- Member of the National Advisory Council of the Easy Care Foundation
- Patron/Ambassador of Saving Lives
- President of GS1 UK. A remunerated office for a not for profit organisation dedicated to standardised processes in the procurement global bar coding standards for supply chains
- Patron of Speight of the Art – the Mark Speight Foundation

The other significant commitments of Mr Lawrence on his appointment as Chairman Designate from 1st April 2014 were:

- Trustee for the National Institute for Conductive Education
- Governor of City of Birmingham School
- Director of Lindridge Enterprises Limited

A perpetual review of Directors' and 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. To communicate with the directors or to obtain a copy of the Register of Directors' or Governors' Interests, contact:

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

Other Disclosures in the Public Interest

Health & Safety

A health and safety framework is embedded within the Trust. An annual work plan enables the health and safety team to provide a structured approach to delivering a safety programme across the organisation, utilising resources that are available. Performance against the work plan is monitored by key performance indicators and compliance is routinely monitored by the organisation's Safety Committee.

The Trust provides an internal occupational health service which provides a range of services for staff, including support with lifestyle and wellbeing initiatives focusing on healthy living (smoking cessation, weight management, exercise) and a healthy mind (stress management, addiction management, mediation). In addition to supporting our employees' wellbeing, we offer core occupational health services ranging from immunisation and vaccination, to management and self-referrals.

Consultations

The Trust has not completed any formal public consultations within the last 12 months or officially consulted with local groups / organisations (including the Overview and Scrutiny Committee) on any service changes within its membership areas.

The Trust continues to engage members of the public with its services, listening to concerns and queries through hosting health information events that take place across the diverse local communities it serves. With an increasing focus on the health awareness agenda, collaborative partnerships with local third sector, public and private sector organisations and schools have increased the reach and the effectiveness of these sessions. This activity will continue to be developed and enhanced for the remainder of 2014 / 15 and beyond.

Disabled Employees & Equal Opportunities

All Trust employment policies include equality impact assessments and these are reviewed in conjunction with staff representatives. A report on Equality and Diversity in Employment is produced annually and the information is made available on the Trust website.

Council of Governors

Following changes to the Constitution that became effective in 2013/14, there were 34 Governor positions available. Governors are elected or appointed for a three year period and are eligible for re-election or reappointment for a further two three-year terms. The Governors are elected or appointed as follows:

- 22 Public Governors, by ballot of members;
- 5 Staff Governors, by ballot of staff; and
- 7 Stakeholder Governors, by appointment.

The Council of Governors is responsible, amongst other things, for:

- Representing the interests of members, the public and stakeholder organisations;
- The appointment and, if appropriate, removal of the Chairman, Non-executive Directors and the external auditor;
- Determining the remuneration of the Chairman and the Non-executive Directors; and
- Holding the Non-executive Directors, individually and collectively, to account.

The Council met six times in 2013/14; the table below shows attendance levels:

Meeting date	Number of Governors in attendance	Number of eligible Governors	Number of Directors in attendance
22 May 2013	21	30	6
15 July 2013	15	30	7
17 September 2013	20	28	10
18 November 2013	22	28	10
20 January 2014	20	28	8
17 March 2014	24	30	11

During the year no Governors were removed from office for persistent failure to attend meetings.
The Governors of the Trust at 31 March 2014 were:

Constituency Type	Full Name of Constituency	Name of Governor	Origin	Date appointed/ elected
Public	Erdington	Dr Olivia Craig	Elected (Contested)	12/08/2013
Public	Erdington	Mr. Albert Fletcher	Elected (Contested)	12/08/2013
Public	Hall Green	Mrs Susan Hutchings	Elected (Uncontested)	12/08/2013
Public	Hall Green	Mr Andrew Lydon	Elected (Uncontested)	12/08/2013
Public	Hodge Hill	Ms. Arshad Begum	Elected (Contested)	12/08/2013
Public	Hodge Hill	Ms Attiqa Khan	Elected (Contested)	12/08/2013
Public	Perry Barr	Mr Barry Clewer MBE	Elected (Uncontested)	12/08/2013
Public	Rest of England & Wales	Mrs Kath Bell	Elected (Contested)	12/08/2013
Public	Rest of England & Wales	Mr Michael Kelly	Elected (Contested)	12/08/2013
Public	Sutton Coldfield	Ms Elaine Coulthard	Elected (Contested)	12/08/2013
Public	Sutton Coldfield	Mr Ron Handsaker	Elected (Contested)	12/08/2013
Public	Solihull	Ms Anne McGeever	Elected (Contested)	12/08/2013
Public	Solihull	Dr Mark Pearson	Elected (Contested)	12/08/2013
Public	Solihull	Ms. Liz Steventon	Elected (Contested)	12/08/2013
Public	Solihull	Mrs Joy Townsend	Elected (Contested)	12/08/2013
Public	South Staffordshire	Mr John Roberts	Elected (Contested)	12/08/2013
Public	South Staffordshire	Mr Barry Orriss	Elected (Contested)	12/08/2013
Public	Tamworth	Mr Richard Hughes	Elected (Uncontested)	12/08/2013
Public	Yardley	Mr David O'Leary	Elected (Contested)	12/08/2013
Public	Yardley	Mr David Treadwell	Elected (Contested)	12/08/2013
Staff	Clinical Support	Mr Michael Hutchby	Elected (Uncontested)	12/08/2013
Staff	Medical & Dental	Mr Matthew Trotter	Elected (Contested)	12/08/2013
Staff	Non-clinical Support	Mrs Emma Hale	Elected (Uncontested)	12/08/2013
Staff	Nursing & Midwifery	Mrs Heidi Lane	Elected (Contested)	12/08/2013
Staff	Nursing & Midwifery	Mrs Margaret Meixner	Elected (Contested)	12/08/2013
University	University of Birmingham	Dr Catherine Needham	Appointed	06/02/2014
Stakeholder	Aston University	Prof Helen Griffiths	Appointed	04/02/2014
Stakeholder	Birmingham City Council	Cllr Mohammed Aikhlaq	Appointed	01/08/2013
Stakeholder	Birmingham City University	Prof Carol Doyle	Appointed	01/12/2012
Stakeholder	Solihull MBC	Cllr Jim Ryan	Appointed	-

Elections took place during August 2013.

University of Birmingham, Aston University and Birmingham City Council appointed new representatives during the year. No Governors have resigned following the elections in August 2013 but two constituencies have vacancies following the elections (Perry Barr and Tamworth) due to a lack of nominations.

Public constituencies are representative areas mainly around each of the main hospital sites. Stakeholders are organisations that the Trust works alongside in running its estate and training its workforce, etc. Staff constituencies are groups of the workforce divided into classes, dependent on the type of work performed.

The Constitution describes the duties and responsibilities of the Governors and the processes intended to ensure a successful and constructive relationship between the Council of Governors and the Board. It confirms the formal arrangements for communication, an approach to informal communications and sets out the formal arrangements for resolving conflicts between the Council of Governors and the Board. The Constitution is available on the Trust's website. A statement of duties and responsibilities of Governors is also shown as an appendix to the schedule of matters reserved for the Board, which is available on the Trust's website. Both documents are also available on request from the Company Secretary.

Mr Richard Hughes was re-elected Lead Governor and Mr Albert Fletcher was re-elected Deputy Lead Governor following the Governor elections in 2013; therefore both have held their respective roles throughout the year under review. The role of the Lead Governor is to provide a communication channel for Monitor in the exceptional circumstances that Monitor finds it inappropriate to make contact Governors via the normal channels. Additionally, together with the Chairman, the Lead Governor facilitates communications between the Governors and the Board and also contributes to the appraisal of the Chairman.

The Governors have been actively involved with the Quality Report, the Annual Plan submitted to Monitor and, more generally, with the Trust's forward plan, including its objectives, priorities and strategy. They canvass the opinions of members through a variety of forums, including but not limited to, public Council of Governors meetings, attendance at Member events hosted by the Trust, constituency surgeries and other community events; they provide feedback to the Board through the Chairman, the Deputy Chairman/ Senior Independent Director and the

Company Secretary and at Council of Governors meetings that are routinely attended by the Directors.

Throughout the year, five operational committees of the Council of Governors have continued with a small group of Governors sitting on each committee. The five committees are:

- Finance and Strategic Planning – chaired by Barry Orriss;
- Hospital Environment – chaired by Elaine Coulthard;
- Membership and Community Engagement – chaired by Albert Fletcher;
- Patient Experience – chaired by Michael Kelly; and
- Quality and Safety – chaired by Liz Steventon.

These committees meet regularly with the respective Executive Director and other relevant managers present.

Other Council of Governors Committees such as the Appointments Committee, The Audit Appointments Committee, the Constitution Review Committee and the Remuneration Committee meet as necessary.

The Chairman hosts informal monthly Governors' Breakfast Meetings, which are also normally attended by the Deputy Chairman/ Senior Independent Director and the Company Secretary.

The Chairman, the Company Secretary, the Lead Governor, the Deputy Lead Governor and the Committee Chairs meet annually to review the performance of the Council and its Committees and report on this to the Council of Governors.

The Governors can be contacted by e-mail at: governors@heartofengland.nhs.uk

Membership Strategy

The Trust had more than 105,000 members at 31 March 2014. Following a change to the Constitution effective from 1 April 2013 the Trust has two constituencies:

1. Public Constituency – comprising members who live in one of the Trust’s ten areas, which collectively cover the whole of England and Wales. Residents of these areas become eligible for public membership when they reach the age of 16 and become members by completing an application form.
2. Staff Constituency – comprising members of Trust staff. All contracted staff with no fixed term or a fixed term of at least 12 months and aged at least 16 are eligible to become members and do so automatically, unless they choose to opt out.

A full listing of all the constituencies is available on request from the Company Secretary. This listing also shows the minimum number of members and the number of Governors required for each constituency and area.

The last 12 months has seen membership across the Public Constituency and Staff Constituency broadly maintained. Any losses when analysed, were as a result of members dying or moving out of the catchment area. The number of staff who are Trust members has increased by 1.9 percent this year.

Our strategy is to maintain the membership at around 100,000.

Breakdown of total members:

Public members: 95,533
Staff members: 10,388
Total membership: 105, 921

Public Membership is broken down as follows:

Age (years)	Ethnicity	Gender
0-16: 96	White: 61,227	Male: 42,243
17-21:1,672	Mixed: 538	Female: 52,856
22+: 93,069	Asian/British Asian: 10,977	Not known: 434
Not known: 696	Black/British Black: 2,462	
	Other: 647	

Staff Membership is broken down as follows:

Heartlands	Good Hope	Solihull	Solihull Community
Clinical Staff: 3,913 Non-Clinical: 2247	Clinical Staff: 1,654 Non Clinical: 732	Clinical Staff: 751 Non Clinical: 399	Clinical Staff: 526 Non Clinical Staff: 166

Governor Elections & Turnout

Following changes to the Constitution, the Trust held elections for the Council of Governors during 2013/14. The election turnout is included in this Report. Open days were held across sites to engage with the local community and encourage members to stand for election. Governors played a key role in communicating with their constituents.

Constituency Type	Named Constituency	No. of Candidates	Votes Cast	Turnout	Date of Election
Public	Erdington	9	821	8.49%	12/08/2013
Public	Hodge Hill	5	783	5.62%	12/08/2013
Public	South Staffordshire	3	467	15.34%	12/08/2013
Public	Rest of England and Wales	5	1240	9.02%	12/08/2013
Public	Solihull	23	3044	11.59%	12/08/2013
Public	Sutton Coldfield	9	1913	7.93%	12/08/2013
Public	Yardley	5	1335	10.61%	12/08/2013
Staff	Medical and Dental	3	169	19.63%	12/08/2013
Staff	Nursing and Midwifery	4	444	10.58%	12/08/2013

Levels of Membership

The Trust offers three levels of membership:

- Level 1 - a high level of engagement, including newsletters and seminars;
- Level 2 - regular communications and invitations to some seminars; and
- Level 3 - periodic newsletters.

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

Membership Profile Summary

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

As in previous years, this commentary uses estimated social grade for 2012. 2001 census figures are included in the profiles for comparison or as an alternative.

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

- Has larger proportions of the financially stretched group;
- Has a smaller proportion of rising prosperity;
- Over-indexes on social grade E; proportions of the other grades are just below national levels; and
- Has 6-7 times the proportion of Asian Community individuals.

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

Membership Engagement

Membership growth and engagement is reported to the Council of Governors which is also attended by Executive and Non-executive Directors. A Committee of the Council is working to continue to engage and develop the membership.

The Trust's website includes the facility for constituents to contact the Governors. A Governors' web page is being developed with the intention that it will include Governor information and activities to keep their members updated and engaged.

Community Engagement Programme

The Trust ran community engagement events almost every weekend and some evenings throughout the year and formed partnerships with a number of organisations and businesses.

The community engagement programme this year has included:

- Monthly health seminars both on site and out in the community;
 - Healthy Self Road Shows in partnership with housing associations;
 - Collaboration with the Midlands Co-operative Society and joint membership events;
 - Hindu Council of Birmingham, Health Fairs and International Women's Day;
 - Sikh and Muslim communities - a joint health awareness programme;
 - Partnership with the Health Exchange to promote health and wellbeing across our catchment area; and
 - Community TV Station - Phase 1 student and community opinion surveys.
-

Young Governors & Members

The membership office has formed a partnership with Solihull Youth Services and is working on a variety of youth projects throughout the next year. The Trust held its first Solihull Youth Conference in December 2013 which was compared by young members of Solihull Youth Council who also took the lead role at some of the workshops. Other activities included arts, drama, sexual health, healthy lifestyle health debate, PSHE, mental health and CPR workshops.

Remuneration Report

The Board's Remuneration Committee, which is chaired by the Chairman, Lord Hunt, and comprises Non-executive Directors, determines the remuneration, allowances and the other terms and conditions of the Executive Directors.

Details of the membership of the Committee, the number of meetings held in the year and attendance of individual members is given on pages 204 and 205.

Remuneration Policy

The Committee determines the remuneration policy with the aim of attracting, motivating and retaining high calibre Executive Directors who will deliver success for the Trust and high levels of patient care and customer service.

Executive Directors Remuneration & Appointment

Remuneration packages for Executive Directors, who are voting members of the Board, consist of a salary and pension contributions. Salaries are reviewed regularly with reference to director pay levels in the NHS and in the context of pay awards to other NHS staff. There are no performance related elements to their remuneration.

The Committee has access to the advice and views of the Chief Executive, the Director of Workforce 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. Details of remuneration, including the salaries and pension entitlements of the Executive Directors, are published in Note 4.4 to the Financial Statements.

The Executive Directors were awarded a one percent general cost of living increase with effect from 1 April 2013. This increase was in line with increases for medical and dental staff and Agenda for Change staff.

All of the Executive Directors have a rolling six month termination notice period included in their contracts (except the Acting Chief Nurse, as stated below) and there is no provision for compensation for early termination. There are no amounts payable to third parties for the services of the Executive Directors and they received no benefits in kind (2012/13 £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 scheme which apply to all NHS staff in the scheme.

The accounting policies for pensions and other retirement benefits are set out in Note 1.13 and 5.7 to the Financial Statements.

The service contract details of the Executive Directors in service at the end of the year are shown in the table below:

Director	Date of contract	Notice period
Andrew Catto	01.03.2014	6 months
Sam Foster	29.06.2009	12 weeks
Simon Hackwell	01.08.2008	6 months
Mark Newbold	01.08.2010	6 months
Adrian Stokes	16.10.2008	6 months
Lisa Thomson	01.01.2013	6 months
Sarah Woolley	07.05.2007	6 months

Mr Hackwell has tendered his resignation to be effective on 31 May 2014.

Mr Hackwell is a Governor at CTC Kingshurst Academy. Dr Newbold was a Director of the West Midlands Academic Health Science Network and a Governor of the Waverley School until 1 April 2014 and is a Governor of Aston University. Mr Stokes is a Non-Executive Director of Heartlands Education Centre Limited. Mrs Thomson is a Non-Executive Director of Multistory. Other than this, no Executive Director also serves as a Non-Executive Director of any other organisation.

Non-executive Directors' Remuneration & Appointment

Non-executive Directors, including the Chairman, do not hold service contracts and are appointed for between three and four years. Their appointment is terminable with one month's notice on either side. Non-executive Directors are appointed following interview by the Appointments Committee of the Council of Governors. Non-executive Director's fees are determined by the Council of Governors having received recommendations from the Council of Governors Remuneration Committee which is chaired by Mr Richard Hughes.

The table below shows those Non-executive Directors in service at the end of the year and the date of their first appointment:

Name	First Appointment date	Notice period	Unexpired term of contract as at 31 March 2014
Lord Philip Hunt (Chairman)	1 October 2010	1 month	2 months
Patrick Cadigan	1 July 2013	1 month	2 years 3 months
Les Lawrence	1 April 2012	1 month	3 years
David Lock	1 July 2013	1 month	2 years 3 months
Alison Lord	1 May 2013	1 month	2 years 1 month
Edward Peck	1 April 2012	1 month	1 year
Jammi Rao	1 July 2013	1 month	2 years 3 months
Laura Serrant	1 April 2012	1 month	1 year

Lord Hunt was invited by the Council of Governors, and agreed, to remain Chairman until 31 May 2014, thereby extending his previous unexpired term by two months.

Mr Lawrence was appointed Chairman designate from 1 April 2014 (with the intention that he would succeed Lord Hunt as Chairman from 1 June 2014) for a term of three years. He previously served as a Non-executive Director from 1 April 2012.

Prof Peck has tendered his resignation to be effective on 31 July 2014.

Details of the remuneration of the Non-executive Directors are published on p.221. 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 (2012/13 £nil).

The Non-executive Directors were not awarded a general cost of living increase during the year.

Expenses properly incurred in the course of the Trust's business by Directors and Governors are reimbursed in accordance with the Trust's policy on business expenses for employees.

Off-payroll Arrangements

During 2013/14 there were no off-payroll arrangements for Directors or of senior officials with significant financial responsibility. There were off-payroll arrangements still in existence at 31 March 2014 that had lasted longer than six months where individuals were paid more than £220 per day, as disclosed in the table below. During 2013/14 these arrangements were reviewed to ensure that the individuals were registered with HMRC for tax.

The Trust employs a number of individuals on an ad hoc basis to deliver training. These arrangements have existed for several years; 10 of these individuals are paid more than £220 per day when the training courses are delivered and are included in the disclosure in the table below.

Duration of existence of arrangement	Number
Less than 1 year	1
1-2 years	0
2-3 years	5
3-4 years	10
Over 4 years	1
Total	17

From 1 April 2014 a process has been in place to ensure that any new off-payroll supplier requests are subject to scrutiny to ensure that the suppliers have contractual arrangements in place that enable the Trust to check that they are registered with HMRC for income tax. In addition, a review of all of the off-payroll arrangements in place at 1 April 2013 has taken place to ensure that such arrangements were put in place and for all but two cases, the detail requested was provided. One of these cases was terminated from the Trust's supplier base and the details passed to HMRC; the other has been escalated to senior management for further review as this case was deemed to be an essential supplier. Other than the cases noted above, there have not been any cases that lasted or reached six months at some point in the year but did not exist at 31 March 2014.



Mark Newbold
Chief Executive
27 May 2014

Statement of Accounting Officer's Responsibilities

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

The NHS Act 2006 states that the Chief Executive is the Accounting Officer of the NHS Foundation Trust. The relevant responsibilities of the Accounting Officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the NHS Foundation Trust Accounting Officer Memorandum issued by Monitor.

Under the NHS Act 2006, Monitor has directed 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 judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual have been followed, and disclose and explain any material departures in the financial statements;
- Ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance; and
- Prepare the financial statements on a going concern basis.

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

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
27 May 2014

Annual Governance Statement 2013/14

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 2014 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 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; and
- Risk management education and training.

The risk management strategy sets out the Trust's approach to risk, defining the structures for the reporting, ownership, management and escalation of risk at all levels within the organisation. It includes everybody's responsibility of 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 Patient Experience & External Affairs who is supported by other Executive Director colleagues for overseeing risk management activities in their individual areas of responsibility.

The 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 activities to the Quality and Risk Committee and gains independent assurance on the effectiveness of its risk management processes through the work of internal audit and the external audit programme which both report to Audit Committee.

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 and Corporate Affairs Directorate. This training is also supported by a comprehensive corporate induction and mandatory training programme (managed by the Trust's Faculty) for all staff which provides training in the management of specific clinical and non-clinical risks.

The Risk & 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 Care Quality Commission (CQC) compliance; the Board Assurance Framework (BAF); external reviews and assessments; incidents, complaints, 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 life-cycle and how risks are identified through risk assessments, are recorded via risk registers and how they are controlled and managed – via the Board and relevant Committees. There is a standard risk matrix used across the Trust to ensure a standard scoring system is applied to all risks. The Trust has implemented a Trust-wide electronic system for recording risks – allowing more transparency regarding what risk there is and also improvements to managing risk trends and themes. This policy forms the key control for defining the Trust's appetite for risk and it is used to manage and escalate risks. The policy contains clear processes for risk escalation.

The escalation of risks is from Directorate through the site and division Quality and Safety Committee structure and ultimately to the Board Quality & Risk Committee and Clinical Quality Performance Group. Non-clinical risks are escalated through similar structures, though this is through corporate departmental meetings – rather than site and division meetings.

The Trust has an established internal compliance framework in respect of the Health and Social Care Act regulations – which are monitored by the CQC. 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 Executive Management Board and Clinical Quality Performance Group by the head of corporate risk and compliance. These quarterly self assessments include consideration of the contents of the CQC Intelligent Monitoring Report.

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 Quality & Risk Committee. The annual review of information flow mapping identified one issue in relation to how the medical records department send patient information overseas. Secure measures for the transporting of this information have now been put in place.

The internal audit review of the Board Assessment Framework and risk management systems concluded that there was significant assurance regarding the systems in place.

The Board has identified the strategic risks facing the Trust. These risks are formally reviewed on a quarterly basis, first by the Executive Management Board then the Board. There are currently nine strategic risks identified on the strategic risk register and appropriate risk management and mitigation plans are in place for each. Further detail is included in Table 1 below.

The strategic risk register for 2014/15 will be presented:

- Quarterly to the Executive Management Board and the Board; and
- Six monthly to the Audit Committee.

The Trust has a committee structure in place to ensure that relevant information is provided to the Board. There are three assurance committees, which are chaired by Non-executive Directors and supported by the relevant Executive Directors, reporting directly into the Board that cover the main aspects of Trust business – Audit Committee, Finance & Performance Committee and Quality & Risk Committee. Beneath these committees sit sub-committees which are responsible for specific aspects of the Trust's agenda; examples include the HR Committee, Clinical Performance Group, Information Governance Committee, Clinical Standards Committee and Safety Committee. As the Trust is based across multiple sites, each site has its own Site Board and an underpinning quality and safety committee structure. This framework ensures that issues and risks are escalated appropriately and also ensures that appropriate, timely action can be taken to mitigate risks or concerns.

In addition there is a Hospital Management Board and an Executive Management Board where operational issues can be escalated to the Executive Directors and the Chief Executive.

Accurate information is regularly submitted to these boards and committees covering a range of operational issues. These include Trust risks and issues, the financial position of the Trust, performance against key local and national targets, clinical governance indicators, compliance with external regulators, transformation programmes, business planning, lessons learned and patient experience.

The requirements of the Monitor condition FT4 (Foundation Trust Governance) and the Corporate Governance Statement are monitored through the committee structure outlined above and the Trust is assured that the required elements are monitored appropriately. However, the Trust has identified that whilst it is assured that the various elements of this condition are monitored through different committees, there is no overall report which summarises all the different aspects of the Monitor licence and consequently there is no single committee that regularly reviews compliance with the Monitor licence in its entirety. In order to mitigate this risk, the Trust commissioned an internal audit of its compliance. This identified a gap regarding the governance relating to the regular review of the

Monitor Licence. The Trust has now completed a baseline assessment which has been presented to the Audit Committee and Board. Thereafter regular compliance reviews will be completed and reported to the Board.

This Annual Governance Statement provides an outline of the various structures and mechanisms that the Trust has in place to maintain a sound system of governance and internal control, amongst other things, to meet the requirement of the Monitor FT4 (Governance) requirement. It takes assurance from these structures and its various committees as well as feedback from internal and external audit and other internal and external stakeholders regarding the robustness of these governance structures. These same mechanisms are used by the Board to ensure that the content of its Corporate Governance Statement is valid. The Trust has identified some areas for improvement, in relation to the activities and Terms of Reference of its Governance and Risk Committee and the flow of information to the Board, as potential risks. In response, specific work streams have been established as part of the Kennedy Review programme to mitigate these risks. In addition, the Board has commissioned a Governance Review to be undertaken by the Trust's new Internal Auditors, Deloitte LLP, during the summer of 2014.

The Trust uses an online incident reporting system (Datix) for all clinical and non-clinical incidents. The Trust actively encourages the reporting of incidents and is one of the highest reporters of 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 (NPSA). There is a separate Trust policy for the management and investigation of serious incidents (SUIs). The Trust policy framework mandates the completion of an equality impact assessment for all Trust policies and procedures.

Performance data is regularly reported to the Trust Finance & Performance Committee and Board. For quality governance purposes, this is triangulated with patient experience information, nursing metrics and the quality dashboard and is regularly reviewed at the Clinical Quality Performance Group and Governance & Risk Committee.

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:

- Council of Governors;
- Consultative Health Council;
- Patient and public involvement forums;
- Overview and scrutiny committees;
- Patient surveys;
- Patient focus groups;
- Staff survey;
- Foundation Trust Membership; and
- Commissioners.

The Trust is not fully compliant with the registration requirements of the CQC. The Trust was subject to one unannounced and one planned inspection during 2013/14:

May 2013

This inspection took place at the Good Hope Hospital site and was a follow up from the visit in February 2013 when the Trust was found to be non-compliant with Regulation 17 (respecting and involving services users) and Regulation 19 (Complaints). Following the visit in May, the Trust was found to be compliant with both of these regulations. The final report is available on the CQC website.

November 2013

In November 2013, the Trust received a new CQC style inspection. The announced inspection took place over a week long period on the three main acute sites (Birmingham Heartlands Hospital, Good Hope Hospital and Solihull Hospital). This was followed by a series of unannounced inspections to the above sites. A quality summit took place with the CQC and various stakeholders prior to the publication of the final report.

The outcomes, included in the final reports, are summarised as follows:

- Warning Notice (Regulation 10 – Assessing and monitoring quality of services) - Good Hope Hospital;
Concerns were raised regarding triage in A&E, checking of resuscitation equipment in A&E, patient pathways in the Clinical Decisions Unit and medicines storage in the assessment unit.
- Compliance actions - (Regulation 9 – Care and Welfare of people who uses services) - Heartlands and Good Hope Hospitals;
People who use services were not protected against the risks of receiving treatment that is inappropriate or unsafe as there was no timely assessment of the needs of the person using the service. The planning and delivery of care did not always occur in the A&E department to ensure that the patient's basic needs were attended to.
- Compliance actions – (Outcome 23 – Supporting Workers) - Heartlands, Solihull and Good Hope Hospitals;
Staff were not able to receive appropriate training and professional development to improve the care for patients due to pressures on their nursing time.
- Compliance actions – (Outcome 22 - Staffing) – Heartlands Hospital;
Patients did not always have their health, safety or welfare needs met due to the lack of sufficient numbers of staff on duty.

The Trust provided four action plans to the CQC and to Monitor in response to each of the sets of compliance actions raised in the reports. These action plans are monitored by the Executive Management Board.

In February 2014 the CQC re-inspected the Trust against the requirements of the Warning Notices. They found that 'the issues raised in the warning notice were met but we found that although improvements had been made, there remained some improvements to be made. These included:

- Some patients were not being seen within 15 minutes of admission by a trained nurse or clinician;
- Documentation as to the patient's needs was not always completed as per protocol;
- Although triage arrangements had improved, further improvements were required to ensure the safety of patients; and
- The criteria of the Clinical Decisions Unit was not consistently implemented.

As an employer with staff entitled to membership of the NHS pension scheme, control measures are in place to ensure that 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 time scales 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 Foundation 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 & Effectiveness of the Use of Resources:

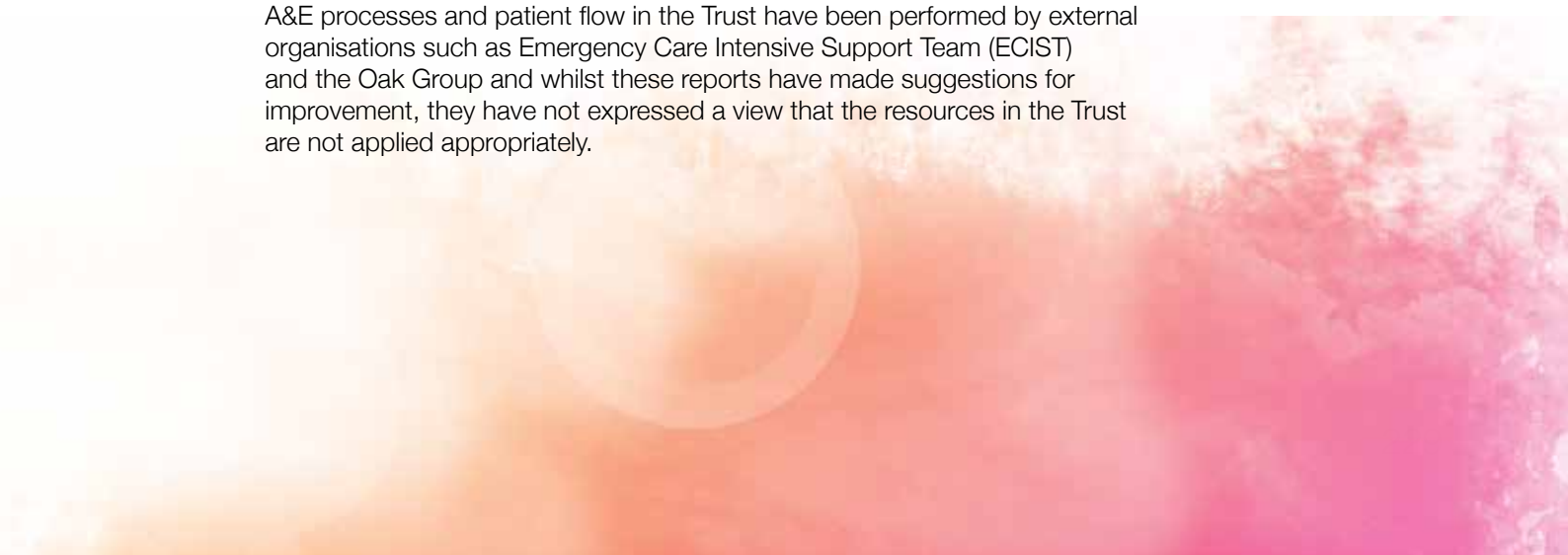
The Board has completed several Board Strategy Sessions in year to review its strategic priorities and assess the impact on its efficient use of resources.

Financial and performance targets were agreed by the Board. The Board then required the Finance & Performance Committee (F&PC) to meet monthly to review how the Trust had performed against its financial and performance targets. The F&PC's primary function is to ensure that any risks to the financial performance or performance measurement of the Trust are managed appropriately. The Committee discusses the identified risks in detail and assigns actions to relevant senior managers within the Trust. The Director of Workforce also attends the committee so that any issues relating to the use of staff can also be discussed here. The Acting Finance Director provides an update on finance and performance at each public Board and Council of Governors meeting.

The commissioning contracts also provide a framework for commissioners to regularly review and report the Trust's progress against national and local performance targets. Monthly meetings are held where senior members of the Trust and commissioning organisations discuss and agree actions in relation to meeting performance targets.

The Audit Committee, which includes representatives from the Trust's internal and external auditors, meets bi-monthly. It ensures that the recommendations contained in the reports from the annual internal and external audit programmes are being implemented. This committee provides additional scrutiny on behalf of the Board regarding the governance processes within the Trust. It is also responsible for reviewing the Board Assurance Framework. The internal auditors have performed audits on the Core Financial Systems and the Risk Management processes and these have not identified areas where resources have not been directed appropriately.

The Trust provides quarterly reports to Monitor regarding its financial and governance targets which it is required to do as a foundation trust. The main discussion point with Monitor has been the performance against the standard for A&E, as described in more detail in the Annual Report. Reviews relating to A&E processes and patient flow in the Trust have been performed by external organisations such as Emergency Care Intensive Support Team (ECIST) and the Oak Group and whilst these reports have made suggestions for improvement, they have not expressed a view that the resources in the Trust are not applied appropriately.



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 & Report lies with the Director of Patient Experience & External Affairs. The Trust has an Annual Report project group that meets monthly, in the run up to publication, to review progress with the three main elements of the Annual Report: the Annual Report; Quality Account & Report and Financial Statements. This provides assurance that the Quality Account & Report are being prepared in accordance with necessary national guidance and also that it provides a balanced account of the activities of the previous year.

Future priorities are determined by our stakeholder groups who suggest new priorities for the coming year. The list is presented to the Executive Directors who ratify the final list of priorities for the coming year.

The Quality Account & Report is subject to audit by the Trust's 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. The Quality Account & Report is subject to extensive external scrutiny to ensure that it provides a balanced view of the organisation's progress during the year.

The scrutiny process includes the Trust Members and Governors, commissioners, Healthwatch and the relevant Overview and Scrutiny Committees who are all invited to provide comments on the Report. These commentaries are included in the final document. Further detail on the data quality processes are outlined in the Quality Account & Report.

The performance data contained in the Quality Account & Report is scrutinised in year by Trust committees, external stakeholders and the Trust's internal auditors – to ensure that metrics are being recorded accurately and that the integrity of the data quality is maintained.

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 the responsibility for the development and maintenance of the internal control framework.

I have drawn on the content of the Quality Report in the 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, the Quality & 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 of quality and safety;
- Health and Safety Executive;
- NHSLA;
- Patient experience metrics;
- Nursing metrics;
- Dr Foster Intelligence information;
- Staff surveys;
- Internal audit;
- External audit; and
- Peer reviews.

Each level of management, including the 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.

Control Weaknesses

A&E four hour target

The Trust has failed to meet the A&E four hour target throughout 2013/14, as a result of this the Trust has been placed under Monitor's enforcement undertakings.

18 weeks

For the first three quarters of the year the Trust met the aggregate target for this indicator, however during the year a number of specialties had developed a backlog of long waiters and a decision was made to clear as many of these as possible during quarter four. As a direct result of this the Trust failed the indicator of 90 percent of patients being treated within 18 weeks.

Cancer targets

Cancer two week waits and two week waits for breast symptoms

In quarter four the Trust has struggled to meet the 93 percent target for these indicators, primarily due to the national campaign for breast cancer which saw a significant increase in referrals to the Trust's service and as a result it was unable to manage the demand.

C.Difficile

The Trust failed to meet its C.Diff target in 2013/14 (the target was reduced by 50 percent from the previous year) but the out-turn at 82 cases is less than last year's out-turn of 88.

The Trust has plans in place to address performance against these targets – further information is included on page 29 and within the Quality Account.

Conclusion:

With the exception of the internal control issues that have been outlined above, no significant internal control issues have been identified.



Dr Mark Newbold,
Chief Executive,
Heart of England NHS Foundation Trust
27 May 2014

Description of risk	Current Risk score (Consequence x Likelihood)	Controls (What are we doing about it?)	Assurances (How do we know we are doing it?)
<p>SR1 Future tariff efficiency The NHS is required to make five percent year on year savings. There is a risk that the required savings will be too big to respond to appropriately without an impact on services. Without careful management this could cause a risk to the quality and safety of services provided.</p>	16 (4x4)	<ul style="list-style-type: none"> Relationship building with external partners - including Birmingham City Council and commissioners. Cost Improvement Programme Board. Pay controls. Escalation process – Directorate to Chief Executive and Director of finance. Finance and Performance Committee – subcommittee of Trust Board. Transformation partner for Re-shaping HEFT / corporate strategy. Development of CIP plans earlier in the year – including quality impact assessments. 	<ul style="list-style-type: none"> Jointly managed risk agreement. Monthly update to finance & performance committee and to Trust Board. Commercial Director monthly updates to Trust Board regarding Re-shaping HEFT. Confirm and challenge meetings with directorates lead by Director of Finance, Chief Nurse and Medical Director.
<p>SR2 Patient Flow Failure to successfully address discharge planning arrangements resulting in poor patient flow and unnecessary delays to admissions, transfers and discharges. Leading to increased risk in urgent care pathway, including significant impact upon the capacity of A&E department and the use of additional flex capacity. There is a risk to the corporate strategic priority of 'Safe and Caring'.</p>	16 (4x4)	<ul style="list-style-type: none"> Discharge Hub. SAFER. External capacity review. Protected clinical time. Breaking the barriers (with local authority and community partners). Monitor undertaking. CQC Warning notice action plan for Good Hope Hospital. 	<ul style="list-style-type: none"> KPIs reviewed by Finance & performance committee. Daily reports and monitoring by the site teams. Urgent care improvement board. Monthly update to Trust Board. Trust-wide implementation group chaired by the emergency pathway transformation lead. Gold command. Monthly review of Good Hope action plan by Executive Management Board.
<p>SR8 - Ability of organisation to undertake strategic reconfiguration and development of new business models for services Key challenges around quality, resources and demography mean that the current configuration and delivery models of some services are not sustainable in the future. The Trust has developed a clinical transformation strategy (Re-shaping HEFT) to address this. There is a risk that such a large scale change programme will not be fully delivered within the required timescales due to the complexity of the work involved and the organisational focus on short term operational issues.</p>	12 – (3x4)	<ul style="list-style-type: none"> Clinical transformation board. Transformation partner. 	<ul style="list-style-type: none"> Monthly progress reports to EMB. Reports to finance & performance committee. Trust Board away day. Transformation partner appointed January 2014.

<p>SR10 Workforce Transformation The proposed service changes, including Re-shaping HEFT, require re-design of the current workforce – specifically in terms of the appropriate skill mix. There is a risk that this is not happening fast enough to deliver the level of operational transformation that is required.</p>	<p>12 – (3x4)</p>	<ul style="list-style-type: none"> • Workforce plans. • Workforce transformation committee. • Project – supernumerary ward sisters programme. • Project – integration of acute and community staff to ensure flexibility of services. • Project – midwifery assistants. • Project – physicians associates. 	<ul style="list-style-type: none"> • Workforce plans submitted to Monitor. • Monthly meetings of WTC. • Supernumerary ward sisters in place October 2013. • Monthly project updates to WTC. • Maternity assistants commenced in post March 2014. • Physicians associates commence in post May 2014.
<p>SR13 Staff Engagement Results from the staff survey indicate that the Trust’s overall performance in terms of staff satisfaction and engagement is below the national average. There is a risk that staff may experience a reduced level of wellbeing leading to an increased staff turnover and an organisational inability to attract and retain the workforce the Trust needs to deliver its services.</p>	<p>12 – (3x4)</p>	<ul style="list-style-type: none"> • Emergency care pathway work. • Trust Organisational Development plan. • Ian Kennedy work streams. • Leadership role modelling. • Restorative clinical supervision. • Equality and Diversity work stream. • Consultant engagement activities. 	<ul style="list-style-type: none"> • Monthly updates to Kennedy Taskforce. • Monthly updates to live well, work well committee of Trust OD plan.
<p>SR14 Winter Planning Although HEFT implemented arrangements to provide extra capacity for winter, there is a risk that the wider health economy winter planning arrangements is not sufficient to meet the demands for the coming winter, impacting on patient flow and staff engagement.</p>	<p>16 – (4x4)</p>	<ul style="list-style-type: none"> • Trust wide winter plans. • SAFER. • Discussions with community and primary care partners. • Breaking the barriers initiative with local authority and community colleagues. 	<ul style="list-style-type: none"> • Scrutiny and challenge events for site winter plans. • Reports from stakeholder meetings. • See actions for SR2.
<p>SR15 18 Week waits Risk of failure to achieve and sustain 18 week targets (90% admitted, 95% non admitted and 92% open pathways) leading to action from regulators, patient safety concerns and poor reputation.</p>	<p>16 – (4x4)</p>	<ul style="list-style-type: none"> • Trust 18 week plan. • 18 week Monitor plan. • ECIST review and report regarding 18 week pathways. 	<ul style="list-style-type: none"> • Monthly update to Finance & Performance Committee. • Submission of plan to Monitor. • ECIST action plan.
<p>SR16 Breast recall programme A review is currently being undertaken of the recall programme in relation to the patients under the care of Mr Ian Paterson. There is a risk that this review will identify patient safety, reputation and financial risk for the Trust.</p>	<p>16 – (4x4)</p>	<ul style="list-style-type: none"> • Review of individual cases included in the original recall programme. • Review of individual cases not included in the original recall programme. • Implementation of robust governance structure including Executive Oversight Group and project group. • Communications and engagement plan. • Project team in place. • Patients’ support group established. • Formal reporting out to Trust Board. 	<ul style="list-style-type: none"> • Standing agenda item on Trust Board. • Weekly update from project manager to project group. • Monthly updates to Executive Oversight Group from project manager.

<p>SR17 Good Hope Hospital site management and governance arrangements</p> <p>There is a risk that the current management and governance arrangements on the Good Hope site are not sufficiently robust to pro-actively identify emerging performance issues on the site.</p>	<p>9 – (3x3)</p>	<ul style="list-style-type: none"> • Monthly site board meetings. • Monthly quality and safety meetings. • Monthly performance and efficiency meetings. 	<ul style="list-style-type: none"> • Monthly reports to site board.
--	------------------	--	--

Risk Scoring Matrix

		CONSEQUENCE				
		Insignificant 1	Minor 2	Moderate 3	Major 4	Catastrophic 5
LIKELIHOOD						
1	Rare	1	2	3	4	5
2	Unlikely	2	4	6	8	10
3	Possible	3	6	9	12	15
4	Likely	4	8	12	16	20
5	Almost Certain	5	10	15	20	25

Directors' Responsibility Statement

The Directors can confirm that, for each individual who is a Director at the time that this Report is approved, so 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.

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

By order of the Board



Lord Philip Hunt
27 May 2014



Dr Mark Newbold
27 May 2014



Financial Statements

Independent Auditors' Report to the Board of Governors of Heart of England NHS Foundation Trust

Report of the Financial Statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view, of the state of the group's and of the parent NHS Foundation Trust's affairs as at 31 March 2014 and of the group's income and expenditure and group's and parent NHS Foundation Trust's cash flows for the year then ended 31 March 2014; and
- have been prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2013/14.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The group financial statements and parent NHS Foundation Trust financial statements (the "financial statements"), which are prepared by Heart of England NHS Foundation Trust, comprise:

- the group and parent NHS Foundation Trust Statement of Financial Position as at 31 March 2014;
- the group Statement of Comprehensive Income for the year then ended;
- the group and parent NHS Foundation Trust Statement of Cash Flows for the year then ended;
- the group and parent NHS Foundation Trust Statement of Changes in Taxpayers' Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is the NHS Foundation Trust Annual Reporting Manual 2013/14 issued by the Independent Regulator of NHS Foundation Trusts ("Monitor").

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.

This includes an assessment of:

- whether the accounting policies are appropriate to the group's and the parent NHS Foundation Trust's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinions on other matters prescribed by the Audit Code for NHS Foundation Trusts

In our opinion:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2013/14.

Other 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 2013/14 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 whether 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, on any aspect, our opinion on the Quality Report.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

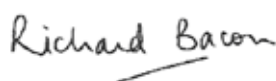
As explained more fully in the Statement of Accounting Officer's Responsibilities set out on page 222 the Chief Executive of Heart of England NHS Foundation Trust is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view in accordance with the NHS Foundation Trust Annual Reporting Manual 2013/14.

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

This report, including the opinions, has been prepared for and only for the 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.

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 (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cornwall Court, 19 Cornwall Street, Birmingham, B3 2DT
29 May 2014

(a) The maintenance and integrity of the Heart of England NHS Foundation Trust website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

(b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Foreword to the Financial Statements

Heart Of England NHS Foundation Trust- Annual Accounts 31 March 2014

Heart of England NHS Foundation Trust

These Accounts for the year ending 31 March 2014 have been prepared by the Heart of England NHS Foundation Trust (the Trust), to be presented to Parliament pursuant to Schedule 7, paragraph 25(4)(a) of the National Health Service Act 2006.



Mark Newbold
Chief Executive
Date: 27 May 2014

Primary Statements

Statement of Comprehensive Income

	Note	Group		Foundation Trust	
		2013/14 £000	2012/13 £000	2013/14 £000	2012/13 £000
Operating Income	3.2	635,943	629,934	635,422	628,962
Operating Expenses	4.1	(636,829)	(654,662)	(635,306)	(653,379)
OPERATING (DEFICIT)/SURPLUS		(886)	(24,728)	116	(24,417)
FINANCE COSTS					
Finance income	7	698	2,176	386	1,872
Finance costs - financial liabilities	8.1	(282)	(310)	(282)	(310)
Finance costs - unwinding of discount on provisions		(3)	(4)	(3)	(4)
PDC Dividends payable		(5,574)	(7,636)	(5,574)	(7,636)
NET FINANCE COSTS		(5,161)	(5,774)	(5,473)	(6,078)
(DEFICIT) FOR THE YEAR		(6,047)	(30,502)	(5,357)	(30,495)
Other comprehensive income					
Impairments (1)	10.5	(434)	(32,592)	(434)	(32,592)
Revaluations		0	0	0	0
Gain from transfer from demising bodies (1)		651	0	651	0
Transfer to retained earnings on disposal of assets		0	0	0	0
Fair value gains on Available-for-sale financial investments (1)		428	759	0	0
Other reserve movements		0	0	0	0
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(5,402)	(62,335)	(5,140)	(63,087)
Prior year adjustments		0	0	0	0
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(5,402)	(62,335)	(5,140)	(63,087)

Primary Statements

Statement of Financial Position as at :-

Note	Group			Foundation Trust			
	31 Mar 2014 £000	31 Mar 2013 £000	1 Apr 2012 £000	31 Mar 2014 £000	31 Mar 2013 £000	1 Apr 2012 £000	
Non-current assets							
Intangible assets	9	9,040	5,647	4,809	9,040	5,647	4,809
Property, plant and equipment	10	238,251	235,799	292,774	238,251	235,799	292,774
Investments	12	7,613	7,195	6,439	0	0	0
Trade and other receivables	14	1,060	1,495	1,493	1,060	1,495	1,493
Other financial assets	30	0	0	0	0	0	0
Total non-current assets		255,964	250,136	305,515	248,351	242,941	299,076
Current assets							
Inventories	13	7,997	7,738	7,874	7,997	7,738	7,874
Trade and other receivables	14	29,347	21,721	21,965	29,891	21,890	22,264
Other financial assets	30	0	0	1,000	0	0	0
Cash and cash equivalents	23	87,971	95,228	97,853	86,699	93,665	97,165
Total current assets		125,315	124,687	128,692	124,587	123,293	127,303
Current liabilities							
Trade and other payables	15	(57,458)	(52,062)	(48,077)	(57,421)	(52,039)	(48,063)
Borrowings	17	(480)	(334)	(480)	(480)	(334)	(480)
Other financial liabilities		0	0	0	0	0	0
Provisions for liabilities and charges	21	(12,763)	(10,678)	(6,433)	(12,763)	(10,678)	(6,433)
Other liabilities	16	(6,605)	(10,292)	(15,372)	(6,605)	(10,292)	(15,372)
Total current liabilities		(77,306)	(73,366)	(70,362)	(77,269)	(73,343)	(70,348)
Total assets less current liabilities		303,973	301,457	363,845	295,669	292,891	356,031
Non-current liabilities							
Trade and other payables	15	0	0	0	0	0	0
Borrowings	17	(4,320)	(4,781)	(4,941)	(4,320)	(4,781)	(4,941)
Other financial liabilities		0	0	0	0	0	0
Provisions for liabilities and charges	21	(7,904)	(2,580)	(2,473)	(7,904)	(2,580)	(2,473)
Other liabilities	16	0	0	0	0	0	0
Total non-current liabilities		(12,224)	(7,361)	(7,414)	(12,224)	(7,361)	(7,414)
Total assets employed		291,749	294,096	356,431	283,445	285,530	348,617
Financed by							
Taxpayers' equity							
Public Dividend Capital		214,169	211,114	211,114	214,169	211,114	211,114
Revaluation reserve	22	46,719	50,621	85,340	46,719	50,621	85,340
Other reserves		(169)	(169)	(169)	(169)	(169)	(169)
Income and expenditure reserve		22,726	23,964	52,332	22,726	23,964	52,332
Others' equity							
Charitable Fund reserves		8,304	8,566	7,814	0	0	0
Total taxpayers' and others' equity		291,749	294,096	356,431	283,445	285,530	348,617

The annual accounts on pages 241 to 303 were approved by the Board of Directors on 27th May and signed on its behalf by:



Mark Newbold, Chief Executive, 27 May 2014

Primary Statements

Statement of Changes In Equity

		Group					
		Total	Public Dividend Capital	Revaluation Reserve	Other Reserves	Income and Expenditure Reserve	Charitable Fund Reserves
		£000	£000	£000	£000	£000	£000
2012/13							
	Taxpayers' and Others' Equity at 1 April 2012 -as previously stated	348,617	211,114	85,340	(169)	52,332	0
	Prior year adjustment	7,814	0	0	0	0	7,814
	Taxpayers' and Others' Equity at 1 April 2012-restated	356,431	211,114	85,340	(169)	52,332	7,814
	(Deficit)/Surplus for the year	(30,502)				(30,857)	355
	Transfers between reserves	22 0	0	(2,127)	0	2,127	0
	Impairments	22 (32,592)		(32,592)		0	0
	Revaluation gains	22 0		0		0	0
	Transfers by modified absorption-gains and losses	0				0	
	Other recognised gains and losses	0		0	0	0	0
	Public Dividend Capital received	0	0				
	Public Dividend Capital repaid	0	0				
	Public Dividend Capital written off	0	0				
	Fair Value gains on Available-for-sale financial investments	759					759
	Other reserve movements	22 0	0	0	0	362	(362)
	Taxpayers' and Others' Equity at 31 March 2013	294,096	211,114	50,621	(169)	23,964	8,566
		Foundation Trust					
		Total	Public Dividend Capital	Revaluation Reserve	Other Reserves	Income and Expenditure Reserve	Charitable Fund Reserves
		£000	£000	£000	£000	£000	£000
2012/13							
	Taxpayers' and Others' Equity at 1 April 2012	348,617	211,114	85,340	(169)	52,332	0
	Prior year adjustment	0	0	0	0	0	0
	Taxpayers' and Others' Equity at 1 April 2012-restated	348,617	211,114	85,340	(169)	52,332	0
	(Deficit) for the year	(30,495)				(30,495)	0
	Transfers between reserves	0	0	(2,127)	0	2,127	0
	Impairments	22 (32,592)		(32,592)		0	0
	Revaluation gains	22 0		0		0	0
	Transfers by modified absorption-gains and losses	0				0	
	Other recognised gains and losses	0		0	0	0	0
	Public Dividend Capital received	0	0				
	Public Dividend Capital repaid	0	0				
	Public Dividend Capital written off	0	0				
	Fair Value gains on Available-for-sale financial investments	0					0
	Other reserve movements	22 0	0	0	0	0	0
	Taxpayers' and Others' Equity at 31 March 2013	285,530	211,114	50,621	(169)	23,964	0

Primary Statements

Statement of Changes In Equity (continued)

Group						
	Total	Public Dividend Capital	Revaluation Reserve	Other Reserves	Income and Expenditure Reserve	Charitable Fund Reserves
	£000	£000	£000	£000	£000	£000
2012/13						
Taxpayers' and Others' Equity at 1 April 2012 -as previously stated	348,617	211,114	85,340	(169)	52,332	0
Prior year adjustment	7,814	0	0	0	0	7,814
Taxpayers' and Others' Equity at 1 April 2012-restated	356,431	211,114	85,340	(169)	52,332	7,814
(Deficit)/Surplus for the year	(30,502)				(30,857)	355
Transfers between reserves	22 0	0	(2,127)	0	2,127	0
Impairments	22 (32,592)		(32,592)		0	0
Revaluation gains	22 0		0		0	0
Transfers by modified absorption-gains and losses	0				0	
Other recognised gains and losses	0		0	0	0	0
Public Dividend Capital received	0	0				
Public Dividend Capital repaid	0	0				
Public Dividend Capital written off	0	0				
Fair Value gains on Available-for-sale financial investments	759					759
Other reserve movements	22 0	0	0	0	362	(362)
Taxpayers' and Others' Equity at 31 March 2013	294,096	211,114	50,621	(169)	23,964	8,566

Foundation Trust						
	Total	Public Dividend Capital	Revaluation Reserve	Other Reserves	Income and Expenditure Reserve	Charitable Fund Reserves
	£000	£000	£000	£000	£000	£000
2012/13						
Taxpayers' and Others' Equity at 1 April 2012	348,617	211,114	85,340	(169)	52,332	0
Prior year adjustment	0	0	0	0	0	0
Taxpayers' and Others' Equity at 1 April 2012-restated	348,617	211,114	85,340	(169)	52,332	0
(Deficit) for the year	(30,495)				(30,495)	0
Transfers between reserves	0	0	(2,127)	0	2,127	0
Impairments	22 (32,592)		(32,592)		0	0
Revaluation gains	22 0		0		0	0
Transfers by modified absorption-gains and losses	0				0	
Other recognised gains and losses	0		0	0	0	0
Public Dividend Capital received	0	0				
Public Dividend Capital repaid	0	0				
Public Dividend Capital written off	0	0				
Fair Value gains on Available-for-sale financial investments	0					0
Other reserve movements	22 0	0	0	0	0	0
Taxpayers' and Others' Equity at 31 March 2013	285,530	211,114	50,621	(169)	23,964	0

Primary Statements

Statement Of Cash Flows

	Note	Group		Foundation Trust	
		2013/14 £000	2012/13 £000	2013/14 £000	2012/13 £000
Cash flows from operating activities					
Operating (deficit)/surplus		(886)	(24,728)	116	(24,417)
Depreciation and amortisation		18,039	17,640	18,039	17,640
Impairments		4,759	50,031	4,759	50,031
Reversals of impairments		0	(6,613)	0	(6,613)
Loss on disposal		31	514	31	514
Non-cash donations/grants credited to income		(711)	0	(711)	0
Interest accrued and not received		0	25	0	25
(Increase)/Decrease in Trade and Other Receivables	14	(7,475)	1,628	(7,835)	1,758
(Increase)/Decrease in Other Assets		0	0	0	0
(Increase)/Decrease in Inventories	13	(258)	136	(258)	136
Increase in Trade and Other Payables	15	5,966	534	5,938	526
(Decrease) in Other Liabilities	16	(3,687)	(5,080)	(3,687)	(5,080)
Increase in Provisions	21	2,521	3,766	2,521	3,766
Tax (paid)/received		0	0	0	0
Other movements in operating cash flows		(248)	(247)	(248)	(247)
Net cash generated from operating activities		18,051	37,606	18,665	38,039
Cash flows from investing activities					
Interest received		604	2,178	292	1,874
Purchase of financial assets		(6,955)	(120,411)	0	(120,000)
Sales of financial assets		6,966	121,414	0	120,000
Purchase of intangible assets		(1,705)	(3,050)	(1,705)	(3,050)
Purchase of Property, Plant and Equipment		(22,166)	(31,006)	(22,166)	(31,006)
Sales of Property, Plant and Equipment		0	0	0	0
Net cash used in investing activities		(23,256)	(30,875)	(23,579)	(32,182)
Cash flows from financing activities					
Public dividend capital received		3,055	0	3,055	0
Public dividend capital repaid		0	0	0	0
Loans received		0	0	0	0
Loans repaid		0	0	0	0
Capital element of finance lease rental payments	19	(119)	(108)	(119)	(108)
Capital element of Private Finance Initiative Obligations	20	(196)	(198)	(196)	(199)
Interest paid		0	0	0	0
Interest element of finance lease	8	(139)	(148)	(139)	(148)
Interest element of Private Finance Initiative obligations	8	(143)	(162)	(143)	(162)
PDC Dividend paid		(5,211)	(9,048)	(5,211)	(9,048)
Cash flows from other financing activities		701	308	701	308
Net cash used in financing activities		(2,052)	(9,356)	(2,052)	(9,357)
Decrease in cash and cash equivalents		(7,257)	(2,625)	(6,966)	(3,500)
Cash and Cash equivalents at 1 April		95,228	97,853	93,665	97,165
Cash and Cash equivalents at 31 March	23	87,971	95,228	86,699	93,665

Notes To The Accounts

1. Accounting Policies

1.1 Basis of Preparation of Accounts

Monitor has directed that the annual report and accounts 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 annual report and accounts for Heart of England NHS Foundation Trust (the Trust) have been prepared in accordance with the 2013/14 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 (FRM) to the extent that they are meaningful and appropriate to the Trust. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts, with the exception of applying updates to the following accounting standards for the first time in 2013/14:

- IAS1 (Presentation of financial statements). See Note 1.2.
- IAS 19 (Employee Benefits). See Notes 4.4-5.5.
- IFRS 7 (Financial Instruments: Disclosures). See Notes 29.1-29.5.

The accounts are prepared on a going concern basis.

1.2 Consolidation

The Trust is the Corporate Trustee to Heart of England NHS Foundation Trust Charitable Fund (Charity Number 1052330). The Trust has assessed its relationship to the Charitable Fund and determined it to be a subsidiary because the Foundation Trust has the power to govern the financial and operating policies of the Charitable Fund, so as to obtain benefits from its activities for its patients and its staff.

Prior to 2013/14, the FT ARM permitted the NHS Foundation Trust not to consolidate the Charitable Fund. From 2013/14, the Trust has consolidated the Charitable Fund and has applied this as a change in accounting policy.

The main annual report and accounts now disclose the Trust's financial position alongside that of the Group (which represents the NHS Trust and the NHS Charity). The Charity's Accounts which have been prepared in accordance with the Charities SORP, can be found on the Charity's website, the Charity Commission website and are summarised in Note 2 to these accounts.

As a result of this consolidation of the Charity a Prior Year Adjustment has been required, the effect of this is summarised in Note 32.

The key accounting policies of the Charity are;
Income is categorised into restricted funds and unrestricted funds. Restricted funds are where there is a legal restriction on where the funds must be spent, whereas an unrestricted fund where a donor can make their wishes known (earmarked funds) or where the Charity has discretion on what to spend it on.

All incoming resources except for legacies are accounted for on an accruals basis. Legacies are accounted for on the earlier of receipt of the monies or when reasonable certainty of the receipt of the legacy has been obtained. Legacies notified but not accounted for are separately disclosed.

Costs are accounted for on an accruals basis.

Fixed asset investments are stated at the market value on the balance sheet date.

1.3 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.

1.4 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.

1.5 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;
- how the intangible asset will generate probable future economic or service delivery benefits e.g. the
- presence of a market for it or its output or where it is to be used for internal use, the usefulness of the asset;
- adequate financial, technical and other resources are available to the Trust to complete the development
- and sell or use the asset; and
- the Trust can measure reliably the expenses attributable to the asset during development.

Software

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

e.g. application software, is capitalised as an intangible asset.

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.

1.6 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 reporting date.

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.

Subsequent expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

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 there after 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 GVA. 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 property, plant and equipment are, in general, as follows:

plant & machinery	5-15 years
transport equipment	7 years
information technology	5-8 years
furniture & fittings	5 years
dwelling up to	60 years
other buildings up to	60 years

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;
- 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/grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

The donated 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 property, plant and equipment.

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.

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.

1.7 Transfers of functions (to /from) other NHS bodies/ local government bodies

For functions that have been transferred to the Trust from another NHS/Local government body, the assets and liabilities transferred are recognised in the accounts as at the date of transfer. The assets and liabilities are not adjusted to fair value prior to recognition. The net gain/loss corresponding to the net assets/liabilities transferred is recognised within income/expenses but not within operating activities.

For 2013/14 however, HM Treasury has approved an amendment to these principles within the NHS as a result of the reorganisation of the NHS on 1 April 2013. Where an NHS Foundation Trust recognises a transfer directly from a body which ceases to exist on 1 April 2013 (for example a Primary Care Trust), modified absorption accounting applies. The net credit/debit is recognised in reserves rather than within income/expenses.

Modified absorption accounting for 2013/14 applies only to assets transferring directly from an entity which closed on 1 April 2013.

Gains / losses on subsequent transfers from the NHS Property Services must be recognised in accordance with previous absorption accounting principles and within income / expenditure.

For details of the Trust's modified absorption accounting in 2013/14 see Note 34.

For property plant and equipment assets and intangible assets, the Cost and Accumulated Depreciation/Amortisation balances from the transferring entity's accounts are preserved on recognition in the Trust's accounts.

1.8 Inventories

Inventories are valued at the lower of cost and net realisable value, on a first in first out basis. Each year end stock is assessed for slow moving, obsolete and defective stock and a provision made for this.

1.9 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.

1.10 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.

1.11 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 the discount rates published and mandated by HM Treasury.

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 21 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.

1.12 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in Note 26 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are instead disclosed in Note 26. 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.

1.13 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 annual report and accounts 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. All eligible Trust employees are automatically registered to this qualifying workplace pension scheme without them needing to make an active decision to join.

NEST scheme

NEST (National Employment Savings Trust) is an automatic enrolment pension scheme available for Trust employees not eligible to join the NHS Pension scheme, They automatically become a member of this qualifying workplace pension scheme without them needing to make an active decision to join. It is a defined contribution pension scheme which enables the Trust to comply with its legal duties from the Pensions Act 2008 regarding all staff having access to a workplace pension 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.

1.14 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.

1.15 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 annual report and accounts. 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. In 2013/14 the break even principle applies to all but one scheme where a loss of £127k has been recognised.
- (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.
- (c) The Trust commissioned a valuation of its land, building and dwellings as at 31 March 2013. The valuation has followed the principles below;
- (i) The fair value of operational assets is determined as the market value with the explicit assumption that property is sold as a continuing business. This has been done on the basis of depreciated replacement cost (DRC) for specialised property and existing use valuation for non-specialised operational property. DRC valuations were prepared using the modern equivalent asset valuation (MEAV) method in accordance with the requirements of the Department of Health and the Royal Institute of Surveyors Valuation Information Paper 10.
 - (ii) For assets with finance lease contracts;
 - The land element is separated out from the buildings as under IAS 17 (leases) to allow for separate assessment of the lease classification,
 - The assets are measured as the value in the underlying asset rather than the value of the lease and
 - The fair value of the asset will be the market value of the building subject to the assumption of the continuance of the existing use.
 - (iii) For each specialised operational property an assessment has been made of the size and type of building required to perform the existing use and adjustments have been made for the current condition of the buildings.

1.16 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 Provisions is an estimate of redundancy costs, the value of the Kennedy review costs and the costs of putting right an environmental issue. The value of the redundancy costs 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 Kennedy review costs are the estimated costs associated with the corrective action required as a result of the review, which included both clinical and non-clinical costs. The environmental provision is based on a specialist report and an assessment of the areas where the issue is required to be rectified over the next five years. In all of these cases, the actual cost could be different to the estimated values.

With the exception of the point 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.

1.17 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.

1.18 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.

1.19 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 23.2) in accordance with the requirements of HM Treasury's Financial Reporting Manual.

1.20 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.

Lessor

Where the Trust acts as the lessor, the income due to the Trust is accounted for on an accruals basis.

1.21 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 during the financial year as set out in the “pre-audit” version of the annual accounts.

Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for:

- donated assets;
- average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits with the exception of cash balances held in GBS accounts that relate to a short-term working capital facility;
- net assets and liabilities transferred from bodies which ceased to exist on 1 April 2013; and
- any PDC dividend balance receivable or payable.

The calculated dividend is not revised if any adjustments to net relevant assets are identified during the final audit process.

1.22 Other reserves

Other reserves were created to account for any differences between the value of fixed assets taken over by the Trust at inception and the corresponding figure in the opening capital debt.

1.23 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.

1.24 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 2012/13 or 2013/14.

1.25 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 cash flows from the assets have expired or the Trust has transferred substantially all of the risks and rewards of ownership. Financial liabilities are derecognised 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', 'Available-for-sale' assets 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.

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 cash flows of the asset. For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the Statement of Comprehensive Income and the carrying amount of the asset is reduced directly.

1.26 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 2013/14. 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 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 from 2013/14 but not yet adopted by the EU.
IFRS 11 Joint Arrangements	May 2011	Effective from 2013/14 but not yet adopted by the EU.
IFRS 12 Disclosure of Interests in Other Entities	May 2011	Effective from 2013/14 but not yet adopted by the EU.
IFRS 13 Fair Value Measurement	May 2011	Effective from 2013/14 but not yet adopted by the EU.
IAS 27 Separate Financial Statements	May 2011	Effective from 2013/14 but not yet adopted by the EU.
IAS 28 Associates and joint ventures.	May 2011	Effective from 2013/14 but not yet adopted by the EU.
AS 32 Financial Instruments: Presentation - amendment Offsetting financial assets and liabilities	December 2011	Effective from 2014/15

The Trust has not adopted any of these policies early.

Note 2.1 Charity-consolidated summary annual report and accounts

The following statements represent the summarised annual accounts of the consolidated Charity presented under an IFRS format.

Note 2.2 Charity-statement of comprehensive income

	Charity	
	2013/14	2012/13
	£000	£000
Operating Income	1,267	1,334
Operating Expenses	(2,269)	(1,645)
OPERATING (DEFICIT)	(1,002)	(311)
FINANCE COSTS		
Finance income	312	304
Finance costs	0	0
NET FINANCE COSTS	312	304
(DEFICIT) FOR THE YEAR	(690)	(7)

Reconciliation to Consolidated 'Group' Surplus/(Deficit) for the year:

	Charity		Foundation Trust		Group	
	2013/14	2012/13	2013/14	2012/13	2013/14	2012/13
	£000	£000	£000	£000	£000	£000
(DEFICIT) FOR THE YEAR	(690)	(7)	(5,357)	(30,495)	(6,047)	(30,502)
Operating Income-Eliminations	0	0	(746)	(362)	(746)	(362)
Operating Expenses-Eliminations	746	362	0	0	746	362
CONSOLIDATED SURPLUS/(DEFICIT) FOR THE YEAR	56	355	(6,103)	(30,857)	(6,047)	(30,502)

Note 2.3 Charity-statement of financial position

	Charity		
	2013/14	2012/13	2011/12
	£000	£000	£000
Non-current assets			
Investments	7,613	7,195	6,439
Total non-current assets	7,613	7,195	6,439
Current assets			
Inventories	0	0	0
Trade and other receivables	32	20	14
Other financial assets	0	0	1,000
Cash and cash equivalents	1,272	1,563	688
Total current assets	1,304	1,583	1,702
Current liabilities			
Trade and other payables	(613)	(212)	(327)
Other liabilities	0	0	0
Total current liabilities	(613)	(212)	(327)
Total assets less current liabilities	8,304	8,566	7,814
Total assets employed	8,304	8,566	7,814
Financed by Equity			
Charitable Fund reserves	8,304	8,566	7,814
Total Equity	8,304	8,566	7,814
The Charitable Fund Reserves can be analysed as follows:			
Restricted funds	2,003	2,184	1,979
Unrestricted funds	6,301	6,382	5,835
Total Charitable Funds	8,304	8,566	7,814

The Charity's funds are split into two categories. The restricted funds exist where there is a very specific purpose and legally the funds must be spent for the purpose set out in the donation. The unrestricted funds are a combination of earmarked funds where the intended area of spend is set out in the donation, or general funds where no particular preference has been expressed.

Reconciliation to figures included in consolidated 'group' statement of financial position:

	Charity			Foundation Trust			Group		
	2013/14	2012/13	2011/12	2013/14	2012/13	2011/12	2013/14	2012/13	2011/12
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Non-current assets	7,613	7,195	6,439	248,351	242,941	299,076	255,964	250,136	305,515
Current assets	1,304	1,583	1,702	124,587	123,293	127,303	125,891	124,876	129,005
Trade and other receivables-Eliminations	(576)	(189)	(313)	0	0	0	(576)	(189)	(313)
Current liabilities	(613)	(212)	(327)	(77,269)	(73,343)	(70,348)	(77,882)	(73,555)	(70,675)
Trade and other payables-Eliminations	0	0	0	576	189	313	576	189	313
Non-current liabilities	0	0	0	(12,224)	(7,361)	(7,414)	(12,224)	(7,361)	(7,414)
Total assets employed (Consolidated)	7,728	8,377	7,501	284,021	285,719	348,930	291,749	294,096	356,431
Financed by									
Taxpayers' equity				283,445	285,530	348,617	283,445	285,530	348,617
Others' equity	8,304	8,566	7,814				8,304	8,566	7,814
Total Equity (Consolidated)	8,304	8,566	7,814	283,445	285,530	348,617	291,749	294,096	356,431

Note 3.1 Operating segments

Trust-wide summary of segments

	2013/14			
	Operational Healthcare	Research and Development	Charity	Total Segments
	£'000	£'000	£'000	£'000
Income	613,998	4,136	1,579	619,713
Costs	(540,552)	(4,263)	(2,269)	(547,084)
Net surplus/(deficit)	73,446	(127)	(690)	72,629

	2012/13			
	Operational Healthcare	Research and Development	Charity	Total Segments
	£'000	£'000	£'000	£'000
Income	609,038	3,954	1,638	614,630
Costs	(523,610)	(3,954)	(1,645)	(529,209)
Net surplus/(deficit)	85,428	0	(7)	85,421

Operational Healthcare refers to the core activities of the Trust that fall under the remit of the Clinical Sites and Divisions ('Divisions'). This activity is primarily the provision of NHS healthcare, either to patients and charged to the Clinical Commissioning Groups (CCGs) via the local delivery plan (LDP), or where healthcare related services are provided to other Trusts, Foundations Trusts, NHS England, CCGs and Local Councils and charged at service level agreement (SLA) prices.

The Operational Healthcare segment comprises the five clinical Divisions (Good Hope, Solihull, Heartlands, Clinical Support Services and Women's and Children's Services). These Divisions 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 Divisions also suggests that aggregation is applicable. 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 Divisions on a monthly basis.

The costs associated with the activities of the Divisions 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 CCGs and NHS England 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.

The Charity segment refers to the results of the Heart of England NHS Foundation Trust Charity, which is required to be consolidated from the 2013/14 financial year, and the 2012/13 results.

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

Income	2013/14 £'000	2012/13 £'000
Segmental income	619,713	614,630
less Eliminations on consolidation	(746)	(362)
less Charity Finance income	(312)	(304)
add Corporate and facilities income	17,288	15,970
Trust wide income	635,943	629,934
Surplus	2013/14 £'000	2012/13 £'000
Segmental surplus	72,629	85,421
Corporate and facilities deficits	(73,917)	(74,900)
Net Impairments	(4,759)	(41,023)
Trust wide (deficit)	(6,047)	(30,502)

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.

All of the Trust's activities are based in the UK and its principal activity is healthcare. The Trust's registered address is Devon House, Heartlands Hospital, Bordesley Green East, Birmingham, B9 5SS.

Note 3.2 Operating Income

	Group		Foundation Trust	
	2013/14	2012/13	2013/14	2012/13
	Total	Total	Total	Total
	£000	£000	£000	£000
Income from activities (See Note 3.2.1 below)	562,839	551,344	562,839	551,344
Other operating income (See Note 3.5)	73,104	78,590	72,583	77,618
TOTAL	635,943	629,934	635,422	628,962

Note 3.2.1 Income from activities

	Group		Foundation Trust	
	2013/14	2012/13	2013/14	2012/13
	Total	Total	Total	Total
	£000	£000	£000	£000
NHS Foundation Trusts	0	0	0	0
NHS Trusts	0	0	0	0
CCGs and NHS England	550,088		550,088	
Primary Care Trusts		547,696		547,696
Local Authorities	9,545	0	9,545	0
Non NHS: Private patients	628	532	628	532
Non-NHS: Overseas patients (non-reciprocal)	163	311	163	311
NHS injury scheme (was RTA)	2,415	2,805	2,415	2,805
TOTAL	562,839	551,344	562,839	551,344

NHS Injury Scheme income is subject to a provision for doubtful debts of 12.6% (12.6% in 2012/13) to reflect expected rates of collection.

Note 3.3 Split of income from activities between Commissioner and Non-Commissioner Services

Of the total income from activities, £559,633k (2012/13 £547,696k) is commissioner services income and £3,206k (2012/13 £3,648k) is non-commissioner services income. Commissioner services income is defined as NHS clinical income from CCGs, other NHS organisations and Local Authorities.

Note 3.4 Operating lease income

	Group		Foundation Trust	
	2013/14 Total £000	2012/13 Total £000	2013/14 Total £000	2012/13 Total £000
Operating Lease Income				
Rents recognised as income in the year	60	59	60	59
Contingent rents recognised as income in the year	0	0	0	0
TOTAL	60	59	60	59
Future minimum lease receipts due				
not later than one year;	31	59	31	59
later than one year and not later than five years;	0	0	0	0
later than five years.	0	0	0	0
TOTAL	31	59	31	59

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 2011/12 a new annual lease was signed, ending 31st March 2013. A further annual contract has been signed in year due to end 31st March 2014.

Note 3.5 Other operating income

	Group		Foundation Trust	
	2013/14 Total £000	2012/13 Total £000	2013/14 Total £000	2012/13 Total £000
Research and development	4,137	3,957	4,139	3,960
Education and training	22,102	20,561	22,105	20,566
Charitable and other contributions to expenditure	1,267	1,334	711	308
Non-patient care services to other bodies	22,999	31,598	22,999	31,598
Car parking income	4,628	4,178	4,628	4,178
Staff accommodation rentals	306	226	306	226
Clinical excellence awards	993	1,064	993	1,064
Catering income	635	661	635	661
Property rentals	996	980	996	980
Rental revenue from operating leases	60	59	60	59
Reversal of impairments of property, plant and equipment	0	6,613	0	6,613
Other	14,981	7,359	15,011	7,405
TOTAL	73,104	78,590	72,583	77,618

Car Parking includes £1,361k (2012/13 £1,377k) 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 2013/14 of £15.0m (2012/13 £7.4m) includes £0.0m (2012/13 £0.5m) in respect of charges levied on local authorities for delayed discharges from care and £0.9m (2012/13 £0.9m) in respect of income for the Trust's medical illustration department. It also includes £3.1m (2012/13 £3.1m) of Community Services income. The Trust also received £2.3m (2012/13 £0.0m) to fund the Trust's Pathology project and a change in the way maternity pathways are funded produced income of £3.2m (2012/13 £0.0m).

The reversal of impairments in 2012/13 arose due to a revaluation of the Trust's land, buildings and dwellings.

Property rentals of £996k (2012/13 £980k) 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:

	Group		Foundation Trust	
	2013/14 £000	2012/13 £000	2013/14 £000	2012/13 £000
Sterilisation Services	99	105	99	105
Clinical waste services (Tradebe Healthcare)	60	59	60	59
PCT - community service wards	450	364	450	364
Badger Clinics	139	145	139	145
WH Smith	44	59	44	59
BHE Heartlands (Assura)	65	31	65	31
Other commercial organisations	139	217	139	217
	996	980	996	980

Note 4.1 Operating expenses

	Group		Foundation Trust	
	2013/14	2012/13	2013/14	2012/13
	Total	Total	Total	Total
	£000	£000	£000	£000
Employee Expenses (1)	396,573	384,984	396,503	384,903
Drug costs	51,379	45,837	51,377	45,836
Supplies and services - clinical (excluding drug costs)	66,642	64,466	66,108	64,025
Supplies and services - general	17,397	17,006	17,368	16,982
Establishment	5,928	5,442	5,805	5,340
Research and development (2)	2,636	2,507	2,636	2,507
Transport (Business travel only)	1,511	1,598	1,511	1,598
Transport (Other)	1,152	1,169	1,152	1,169
Premises	30,581	31,100	30,316	30,882
Increase in bad debt provision	2,291	879	2,291	879
Rentals under operating leases	1,049	1,046	1,049	1,046
Change in provisions discount rate	28	26	28	26
Inventories written down (net, including inventory drugs)	97	143	97	143
Inventories consumed (excluding drugs)	3,957	0	3,957	0
Depreciation on property, plant and equipment	17,398	17,292	17,398	17,292
Amortisation on intangible assets	641	348	641	348
Impairments of property, plant and equipment (3)	4,759	47,931	4,759	47,931
Impairments of intangible assets (3)	0	2,100	0	2,100
Audit fees (4)				
audit services - statutory audit	87	92	87	92
audit services - regulatory reporting	14	18	14	18
audit services - charity accounts	15	16	0	0
Other non-audit services	103	0	103	0
Clinical negligence	12,185	12,967	12,185	12,967
Loss on disposal of investments	0	0	0	0
Loss on disposal of intangible fixed assets	0	0	0	0
Loss on disposal of land and buildings	0	0	0	0
Loss on disposal of other property, plant and equipment	31	514	31	514
Legal fees	732	1,778	731	1,777
Consultancy costs (5)	2,246	1,081	2,246	1,081
Training, courses and conferences	2,423	2,238	2,223	2,073
Patient travel	2,652	2,802	2,652	2,802
Car parking and Security	1,275	1,207	1,275	1,207
Restructuring	(334)	1,386	(334)	1,386
Early retirements	60	45	60	45
Hospitality	142	112	110	86
Publishing	128	290	125	288
Insurance	884	1,034	884	1,034
Other services	6,652	4,360	6,652	4,360
Losses, ex gratia and special payments	74	71	74	71
Other	3,441	777	3,192	571
TOTAL	636,829	654,662	635,306	653,379

(1) Employee Expenses is broken down as follows:

	£000	£000	£000	£000
Executive Directors	1,345	1,418	1,345	1,418
Non Executive Directors	170	168	170	168
Staff	395,058	383,398	394,988	383,317
	396,573	384,984	396,503	384,903

(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 10.5.

(4) The audit fee of £87k (2012/13 £92k) relates to statutory audit work, including the fees for additional work on revaluation. Regulatory reporting fees are for Quality Accounts. Other auditor's remuneration of £103k (2012/13 £nil) is for preparatory work for the CQC inspection, integration work on Solihull community services and a subscription to an online reference manual. The Trust's contract with its auditors provides for a limitation on the auditor's liability of £5m.(2011/2012 £5m).

(5) Included in consultancy is £705k (2012/2013 £83k) for costs relating to the Kennedy review. The total costs incurred in the year included in operating expenses relating to the review is £4,339k (2012/13 £1,622k).

Note 4.2 Operating lease expenditure

	Group		Foundation Trust	
	2013/14	2012/13	2013/14	2012/13
	Total	Total	Total	Total
	£000	£000	£000	£000
Hire of plant and machinery	425	481	425	481
Expenditure on other operating leases	624	565	624	565
TOTAL	1,049	1,046	1,049	1,046

Note 4.3 Analysis of Operating leases

	Group		Foundation Trust	
	2013/14	2012/13	2013/14	2012/13
	Total	Total	Total	Total
	£000	£000	£000	£000
Minimum lease payments	1,049	1,046	1,049	1,046
Contingent rents	0	0	0	0
Less sublease payments received	0	0	0	0
TOTAL	1,049	1,046	1,049	1,046

	31 Mar 14	31 Mar 13	31 Mar 14	31 Mar 13
	£000	£000	£000	£000
Future minimum lease payments due:				
not later than one year;	705	908	705	908
later than one year and not later than five years;	2,392	1,640	2,392	1,640
later than five years.	1,173	1,069	1,173	1,069
TOTAL	4,270	3,617	4,270	3,617

The Trust holds various non-cancellable operating lease agreements within a lease portfolio which covers assets including medical equipment, vehicles, several short term leasehold buildings and land .

At the end of the 2013/14 year there were 17 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 fifteen years. In addition, there are ten operating contracts in place for the lease of buildings which includes Renal dialysis units, an Outpatient clinic facility in Solihull Mell Square that ended in year. The 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 4.4 Salary & pension entitlements of senior managers

a) remuneration

Name and Title	2013/14						
	Salary (bands of £5000 £000)	Bonus payments (bands of £5000 £000)	Other Remuneration (bands of £5000) £000	Increase in Pension-related benefits (bands of £2500) £000	Taxable benefits Rounded to the nearest £1000	Director's Expenses Rounded to the nearest £1000	Total (bands of £5000 £000)
Mark Newbold (Chief Executive)	190-195	0	0	35-37.5	0	1.9	225-230
Mandy Moreton (HR Director up to 30 Sep 2012)***	0	0	0	0	0	0.0	0
Aresh Anwar (Medical Director up to 20 Dec 2013)	140-145	0	0	37.5-40.0	0	1.1	180-185
Clive Ryder (Acting Medical Director w.e.f. 23 Dec 2013 up to 28 Feb 2014) **	35-40	0	0	0	0	0.0	35-40
Andrew Catto (Medical Director w.e.f. 1 Mar 2014)	15-20	0	0	20.0-22.5	0	0.0	35-40
Sarah Woolley (Director of Safety and Governance)	130-135	0	0	40.0-42.5	0	0.0	170-175
Adrian Stokes (Director of Finance & Performance & Deputy Chief Executive) *	155-160	0	0	42.5-45.0	0	0.1	195-200
Mandie Sunderland (Chief Nurse up to 30 Sep 2013)	60-65	0	0	117.5-120.0	0	0.0	180-185
Sam Foster (Acting Chief Nurse w.e.f. 1 Sept 2013)	60-65	0	0	122.5-125.0	0	0.1	185-190
Simon Hackwell (Commercial Director)	135-140	0	0	50.0-52.5	0	0.3	185-190
Lisa Thomson (Director of Corporate Affairs)	125-130	0	0	72.5-75.0	0	1.2	200-205
Phillip Hunt (Chairman)	45-50	0	0	0	0	0.2	50-55
Anna East (Non Executive Director up to 30 Jun 2013)	0-5	0	0	0	0	0.3	0-5
Richard Harris (Non Executive Director up to 6 Mar 2013)	0	0	0	0	0	0.0	0
Paul Hensel (Non Executive Director up to 31 July 2013)	0-5	0	0-5	0	0	0.0	0-5
Najma Hafeez (Non Executive Director up to 31 Aug 2013)	5-10	0	0	0	0	0.0	5-10
Leslie Lawrence (Non Executive Director)	15-20	0	0	0	0	1.1	15-20
Edward Peck (Non Executive Director)	10-15	0	0	0	0	0.5	10-15
Laura Serrant-Green (Non Executive Director)	10-15	0	0	0	0	0.0	10-15
Patrick Cadigan (Non Executive Director w.e.f. 1 Jul 2013)	10-15	0	0	0	0	0.0	10-15
David Lock (Non Executive Director w.e.f. 1 Jul 2013)	5-10	0	0	0	0	0.7	10-15
Alison Lord (Non Executive Director w.e.f. 16 May 2013)	10-15	0	0	0	0	1.0	15-20
Jammi Rao (Non Executive Director w.e.f. 1 Jul 2013)	10-15	0	0	0	0	0.3	10-15

Name and Title	2012/13						
	Salary (bands of £5000 £000)	Bonus payments (bands of £5000 £000)	Other Remuneration (bands of £5000) £000	Increase in Pension-related benefits (bands of £2500) £000	Taxable benefits Rounded to the nearest £1000	Director's Expenses Rounded to the nearest £1000	Total (bands of £5000 £000)
Mark Newbold (Chief Executive)	185-190	0	0	-25.0-27.5	0	1.5	160-165
Mandy Moreton (HR Director up to 30 Sep 2012)***	90-95	0	90-95	-10.0-12.5	0	0.0	175-180
Aresh Anwar (Medical Director up to 20 Dec 2013)	195-200	0	0	77.5-80.0	0	1.8	275-280
Clive Ryder (Acting Medical Director w.e.f. 23 Dec 2013 up to 28 Feb 2014) **	0	0	0	0	0	0.0	0
Andrew Catto (Medical Director w.e.f. 1 Mar 2014)	0	0	0	0	0	0.0	0
Sarah Woolley (Director of Safety and Governance)	140-145	0	0	35.0-37.5	0	0.0	175-180
Adrian Stokes (Director of Finance & Performance & Deputy Chief Executive) *	155-160	0	0	37.5-40.0	0	0.0	190-195
Mandie Sunderland (Chief Nurse up to 30 Sep 2013)	120-125	0	0	0-2.5	0	0.4	125-130
Sam Foster (Acting Chief Nurse w.e.f. 1 Sept 2013)	0	0	0	0	0	0.0	0
Simon Hackwell (Commercial Director)	125-130	0	0	17.5-20.0	0	1.0	145-150
Lisa Thomson (Director of Corporate Affairs)	120-125	0	0	-2.5-5.0	0	1.0	115-120
Phillip Hunt (Chairman)	45-50	0	0	0	0	0.8	50-55
Anna East (Non Executive Director up to 30 Jun 2013)	15-20	0	0	0	0	0.4	15-20
Richard Harris (Non Executive Director up to 6 Mar 2013)	15-20	0	0	0	0	0.9	15-20
Paul Hensel (Non Executive Director up to 31 July 2013)	10-15	0	0	0	0	0.0	10-15
Najma Hafeez (Non Executive Director up to 31 Aug 2013)	10-15	0	0	0	0	0.4	10-15
Leslie Lawrence (Non Executive Director)	10-15	0	0	0	0	1.0	10-15
Edward Peck (Non Executive Director)	10-15	0	0	0	0	0.2	10-15
Laura Serrant-Green (Non Executive Director)	10-15	0	0	0	0	0.0	10-15
Patrick Cadigan (Non Executive Director w.e.f. 1 Jul 2013)	0	0	0	0	0	0.0	0
David Lock (Non Executive Director w.e.f. 1 Jul 2013)	0	0	0	0	0	0.0	0
Alison Lord (Non Executive Director w.e.f. 16 May 2013)	0	0	0	0	0	0.0	0
Jammi Rao (Non Executive Director w.e.f. 1 Jul 2013)	0	0	0	0	0	0.0	0

Under IAS 24 (Related Party Disclosures) there are additional disclosure requirements for all key management personnel. This additional disclosure is made in note 27.3.

The median remuneration of the Trust's staff is £26k (£26k 2012/13) compared to the mid point of the banded remuneration of the highest paid director above £192.5k (£197.5k 2012/13). The ratio of the median to highest paid director is 0.14 (0.13 2012/13).

The director's expenses above are paid via the payroll department in line with the Trust's expenses policy. The governors are paid expenses that would reimburse them for costs wholly and exclusively for their work at the Trust and in line with the Trust's expenses policy. There were 30 governors as at 31 March 2014 (30, at 31

March 2013), £3k was incurred on governor's expenses in 2013/14 (£5k, 2012/13).

* With effect from 9 December 2013 Adrian Stokes' title changed to Director of Emergency Pathway Transformation and Deputy Chief Executive

Aidan Quinn was appointed Acting Finance Director on 9 December 2013 as a non-voting director.

*** Mandy Moreton was replaced by Hazel Gunter as a non-voting director.

** Clive Ryder is employed by the Birmingham Childrens' Hospital and his salary is recharged by them. Pension details and benefits are held by that Trust.

Paul Hensel is paid a fee of £7.5k per year from 1 Sep 2013 for advisory services to the Donated Funds Committee.

Directors' expenses have calculated in £000's which is a departure from the 'Annual Reporting Manual' which states that Directors' expenses should be presented in £00's.

Note 4.4 Salary and pension entitlements of senior managers (continued)

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 2014 (bands of £5,000) £000	Lump sum at age 60 related to accrued pension at 31 March 2014 (bands of £5000) £000	Cash Equivalent Transfer Value at 31 March 2014 £000	Cash Equivalent Transfer Value at 31 March 2013 £000	Real Increase in Cash Equivalent Transfer Value £000	Employers Contribution to Stakeholder Pension To nearest £100
Mark Newbold (Chief Executive)	2.5-5.0	7.5-10.0	70-75	215-220	1,463	1,362	49	0
Aresh Anwar (Medical Director up to 20 Dec 2013)	2.5-5.0	7.5-10.0	40-45	125-130	677	620	31	0
Andrew Catto (Medical Director w.e.f. 1 Mar 2014)	0.0-2.5	0.0-2.5	40-45	120-125	704	653	2	0
Sarah Woolley (Director of Safety and Governance)	0.0-2.5	5.0-7.5	30-35	95-100	457	410	26	0
Adrian Stokes (Director of Finance & Performance & Deputy Chief Executive)	2.5-5.0	7.5-10.0	30-35	100-105	503	452	29	0
Mandie Sunderland (Chief Nurse up to 30 Sep 2013)	5.0-7.5	17.5-20.0	45-50	145-150	873	741	81	0
Sam Foster (Acting Chief Nurse w.e.f. 1 Sept 2013)	2.5-5.0	7.5-10.0	20-25	65-70	319	232	33	0
Lisa Thomson (Director of Corporate Affairs)	2.5-5.0	10.0-12.5	15-20	50-55	304	236	44	0
Simon Hackwell (Commercial Director)	2.5-5.0	7.5-10.0	20-25	60-65	348	296	32	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 year. 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.

Note 5.1 Employee expenses

	Group				Foundation Trust			
	2013/14 Total £000	2013/14 Permanent £000	2013/14 Other £000	2012/13 Total £000	2013/14 Total £000	2013/14 Permanent £000	2013/14 Other £000	2012/13 Total £000
Wages and salaries	321,418	321,243	175	314,064	321,348	321,173	175	313,983
Social security costs	24,248	24,248	0	24,375	24,248	24,248	0	24,375
Pension costs - defined contribution plans								
Employers contributions to NHS Pensions	36,503	0	36,503	34,444	36,503	0	36,503	34,444
Pension Cost - other contributions	0	0	0	0	0	0	0	0
Termination benefits	0	0	0	0	0	0	0	0
Agency/contract staff	14,896	0	14,896	13,364	14,896	0	14,896	13,364
TOTAL	397,065	345,491	51,574	386,247	396,995	345,421	51,574	386,166

In addition to the costs above, the Trust has incurred Capitalised staff costs of £662k (£882k, 2012/13).

Total employee expenses do not include non executive director costs but include restructuring and early retirement costs as disclosed in Note 4.1.

Employee Expenses from the Charity of £70k (£81k, 2012/13) are included in the Group figures above.

Note 5.2 Monthly average number of employees (whole time equivalent)

	Group/Foundation Trust	
	2013/14 Total Number	2012/13 Total Number
Medical and dental	1,002	994
Ambulance staff	0	0
Administration and estates	2,053	2,101
Healthcare assistants and other support staff	1,444	1,430
Nursing, midwifery and health visiting staff	2,923	2,979
Nursing, midwifery and health visiting learners	0	0
Scientific, therapeutic and technical staff	1,408	1,411
Social care staff	0	0
Bank and agency staff	747	632
Other	0	0
TOTAL	9,577	9,547

Included in the above, there were 10 employees engaged on capital projects (10, 2012/13) and 2 staff engaged on the administration of the Charity (2, 2012/13).

Note 5.3 Employee benefits in kind

Other than Trust contributions to the NHS Pension Scheme, there were no employee benefits in kind in 2013/14 or 2012/13.

Note 5.4 Early retirements due to ill health

	Group/Foundation Trust	
	2013/14	2012/13
	Total	Total
Number of early retirements on the grounds of ill-health	8	9
Value of early retirements on the grounds of ill-health (£000)	425	606

The cost of these ill health retirements will be borne by the NHS Business Services Authority (Pensions Division).

Note 5.5 Staff sickness absence

	Group/Foundation Trust	
	2013/14	2012/13
	Number	Number
Days lost (long term)	78,810	81,484
Days lost (short term)	45,888	47,153
Total days lost	124,698	128,637
Total staff years	8,948	8,747
Average working days lost	13.9	14.7
Total staff employed in the year (headcount)	10,381	10,199
Total staff employed in the year with no absence (headcount)	3,846	3,498
Percentage staff with no sick leave	37.0%	34.3%

Note 5.6 Compensation schemes-exit packages

Exit package cost band	Group/Foundation Trust					
	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band	
	2013/14	2012/13	2013/14	2012/13	2013/14	2012/13
<£10,000	0	0	3	7	3	7
£10,001 - £25,000	0	1	0	12	0	13
£25,001 - £50,000	0	0	0	4	0	4
£50,001 - £100,000	0	1	0	2	0	3
£100,001 - £150,000	0	0	0	0	0	0
£150,001 - £200,000	0	0	0	1	0	1
>£200,001	0	0	0	0	0	0
Total number of exit packages by type	0	2	3	26	3	28
Total cost (£000)	0	66	9	688	9	754

Other departures agreed are non-compulsory contractual payments in lieu of notice.

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.

As part of managing pay cost levels the Trust implemented a Mutually Agreed Resignation Scheme (MARS). This ran from 31st October 2012, with a closing date for application of 31st December 2012. Within the year there were 19 employees who left the Trust through this scheme. All employees with agreed leaving dates of after 31 March 2013 have been provided for.

Note 5.7 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.

On 1 April 2008 a new section of the NHS Pension Scheme was introduced for new members. Most members of the Pension Scheme prior to 1 April 2008 are in the 1995 Section. New joiners on, or after, 1 April 2008 are members of the 2008 section. The changes introduced new rules for NHS employees joining from 1 April 2008 and modified the rules for those already in the pension scheme prior to this date. Further details of these changes can be found on the NHS Pensions website.

The Pensions Act 2008 introduced automatic enrolment of eligible workers into a qualifying workplace pension scheme. The majority of Trust employees are enrolled in the NHS pension Scheme but for those who are not eligible for that scheme the Trust also administers NEST (National Employment Savings Trust). NEST is also classed as a defined contribution pension scheme.

The NHS Pensions Scheme is subject to a full actuarial valuation every four years (until 2004, every five years) and an accounting valuation every year. An outline of these is as 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 to be paid by employers and scheme members.

The last such valuation, which determined current contribution rates was undertaken as at 31 March 2004 and covered the period from 1 April 1999 to that date. The conclusion from the 2004 valuation was that the scheme had accumulated a notional deficit of £3.3 billion against the notional assets as at 31 March 2004.

The next formal quadrennial actuarial valuation was as at 31 March 2008. However, formal actuarial valuations for unfunded public service pension schemes were suspended by HM Treasury whilst reforms to public service pension provisions were discussed. The Scheme Regulations were changed to allow contribution rates to be set by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.

In order to defray the costs of benefits, employers pay contributions at 14% of pensionable pay and most employees had paid 6% up to April 2008, with manual staff paying 5%.

Following the full actuarial review by the Government Actuary undertaken as at 31 March 2004, and after consideration of changes to the NHS Pension Scheme taking effect from 1 April 2008, his Valuation report recommended that employer contributions could continue at the existing rate of 14% of pensionable pay, from 1 April 2008, following the introduction of employee contributions on a tiered scale from 5% up to 8.5% of their pensionable pay depending on total earnings.

On advice from the scheme actuary, scheme contributions may be varied from time to time to reflect changes in the scheme's liabilities.

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 by updating the results of the full actuarial valuation.

Between the full actuarial valuations at a two-year midpoint, a full and detailed member data-set is provided to the scheme actuary. At this point the assumptions regarding the composition of the scheme membership are updated to allow the scheme liability to be valued.

The valuation of the scheme liability as at 31 March 2014, is based on detailed membership as at 31 March 2010 updated to 31 March 2014 with summary global member and accounting data.

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) Resource Account, 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.

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.

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 in the statement of comprehensive income at the time the Trust commits itself to the retirement, regardless of the method of payment.

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.

Note 6 Better payment practice code

Better Payment Practice code-measure of compliance

	Group/Foundation Trust			
	Number 2013/14	Value 2013/14 £000	Number 2012/13	Value 2012/13 £000
Total bills paid in the year	159,039	214,047	149,352	199,949
Total bills paid within target	148,403	206,604	137,366	190,683
Percentage of bills paid within target	93%	97%	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 7 Finance income

	Group		Foundation Trust	
	2013/14 £000	2012/13 £000	2013/14 £000	2012/13 £000
Interest on bank accounts	401	18	386	0
Interest on loans and receivables	0	1,872	0	1,872
Interest on available for sale financial assets	297	286	0	0
Interest on held-to-maturity financial assets	0	0	0	0
TOTAL	698	2,176	386	1,872

The interest receivable arose from interest earned in the main current account and in 2012/13 from surplus cash placed in commercial deposit accounts and in bank bonds.

Additional interest of £297k (£286k, 2012/13) included in the Group figure was earned from investments held by the Charity (See Note 12).

Note 8.1 Finance costs- financial liabilities

	Group		Foundation Trust	
	2013/14 £000	2012/13 £000	2013/14 £000	2012/13 £000
Finance leases	139	148	139	148
Finance Costs in PFI obligations:				
Main Finance Costs	143	162	143	162
Other	0	0	0	0
TOTAL	282	310	282	310

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. Heartlands Education Centre Limited 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.

There were no Finance costs on behalf of the Charity.

Note 8.2 Impairment of property, plant and equipment assets

	Group/Foundation Trust	
	2013/14	2012/13
	£000	£000
Reversal of impairments	(632)	(23,914)
Changes in market price	5,825	97,530
TOTAL	5,193	73,616

The figures above represent the position of the Group and the Foundation Trust as the Charity has no impairments of property, plant and equipment assets (See Note 2).

The 2013/14 impairments are due to a number of assets being valued in year. Further information can be found in Note 10.5.

Note 9.1 Intangible assets 2013/14

	Group/Foundation Trust		
	Total	Software licences (purchased)	Intangible Assets Under Construction
	£000	£000	£000
Gross cost at 1 April 2013	13,075	8,189	4,886
Additions - purchased	2,466	1,295	1,171
Additions - donated	10	10	0
Transfers by Modified absorption	6	6	0
Revaluations	0	0	0
Reclassifications	2,811	2,669	142
Disposals	(792)	(792)	0
Gross cost at 31 March 2014	17,576	11,377	6,199
Accumulated Amortisation at 1 April 2013	7,428	7,428	0
Provided during the year	641	641	0
Impairments	0	0	0
Reclassifications	1,259	1,259	0
Revaluation surpluses	0	0	0
Disposals	(792)	(792)	0
Accumulated Amortisation at 31 March 2014	8,536	8,536	0
Net book value			
NBV - Purchased at 1 April 2013	5,635	749	4,886
NBV - Donated at 1 April 2013	12	12	0
NBV total at 1 April 2013	5,647	761	4,886
Net book value			
NBV - Purchased at 31 March 2014	9,023	2,824	6,199
NBV - Donated at 31 March 2014	17	17	0
NBV total at 31 March 2014	9,040	2,841	6,199

The figures above represent the position of the Group and the Foundation Trust as the Charity has no Intangible assets.

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.

Note 9.2 Intangible assets 2012/13

	Group/Foundation Trust		
	Total	Software licences (purchased)	Intangible Assets Under Construction
	£000	£000	£000
Gross cost at 1 April 2012	10,025	6,303	3,722
Additions - purchased	3,050	1,886	1,164
Additions - donated	0	0	0
Revaluations	0	0	0
Reclassifications	0	0	0
Disposals	0	0	0
Gross cost at 31 March 2013	13,075	8,189	4,886
Accumulated Amortisation at 1 April 2012	5,216	5,216	0
Provided during the year	348	348	0
Impairments	2,100	2,100	0
Reclassifications	0	0	0
Revaluation surpluses	0	0	0
Disposals	(236)	(236)	0
Accumulated Amortisation at 31 March 2013	7,428	7,428	0
Net book value			
NBV - Purchased at 1 April 2012	4,792	1,072	3,720
NBV - Donated at 1 April 2012	17	16	1
NBV total at 1 April 2012	4,809	1,088	3,721
Net book value			
NBV - Purchased at 31 March 2013	5,635	749	4,886
NBV - Donated at 31 March 2013	12	12	0
NBV total at 31 March 2013	5,647	761	4,886

The figures above represent the position of the Group and the Foundation Trust as the Charity has no Intangible assets.

Note 10.1 Property, plant and equipment 2013/14

	Group/Foundation Trust								
	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 2013	318,389	26,447	171,828	1,749	8,902	64,354	735	33,591	10,783
Additions - purchased		0	1,275	32	14,337	6,998	0	2,466	172
Additions - leased	0	0	0	0	0	0	0	0	0
Additions - donated	701	0	134	0	0	526	0	6	35
Transfers by Modified absorption	645	0	0	0	0	455	0	177	13
Impairments charged to operating expenses	(4,759)	0	(4,759)	0	0	0	0	0	0
Impairments charged to revaluation reserve	(1,066)	0	(1,066)	0	0	0	0	0	0
Reversal of impairments	431	0	431	0	0	0	0	0	0
Reclassifications	(5,654)	0	18,231	(415)	(18,592)	726	1	(4,723)	(882)
Revaluation surpluses	0	0	0	0	0	0	0	0	0
Disposals	(15,236)	0	186,074	1,366	4,647	(3,601)	(32)	(8,237)	(3,366)
Cost or valuation at 31 March 2014	318,731	26,447	186,074	1,366	4,647	69,458	704	23,280	6,755
Accumulated depreciation at 1 April 2013	82,590		401	414		42,930	629	27,819	10,397
Provided during the year	17,398		10,938	209		4,126	43	1,926	156
Impairments recognised in operating expenses	0		0	0		0	0	0	0
Reversal of impairments	(201)		(201)	0		0	0	0	0
Reclassifications	(4,102)		(324)	(414)		891	0	(3,343)	(912)
Revaluation surpluses	0		0	0		0	0	0	0
Disposals	(15,205)		0	0		(3,570)	(32)	(8,237)	(3,366)
Accumulated depreciation at 31 March 2014	80,480	0	10,814	209	0	44,377	640	18,165	6,275
Net book value	222,855	26,447	159,233	1,335	8,902	20,696	106	5,763	373
NBV - Owned at 1 April 2013	8,103	0	8,099	0	0	4	0	0	0
NBV - Finance lease & PFI Assets at 1 April 2013	4,841	0	4,095	0	0	724	0	9	13
NBV - Donated at 1 April 2013	235,799	26,447	171,427	1,335	8,902	21,424	106	5,772	386
Net book value	221,504	26,447	158,513	1,157	4,647	25,081	64	5,115	480
NBV - Owned at 31 March 2014	14,305	0	14,305	0	0	0	0	0	0
NBV - Finance lease & PFI Assets at 31 March 2014	2,442	0	2,442	0	0	0	0	0	0
NBV - Donated at 31 March 2014	238,251	26,447	175,260	1,157	4,647	25,081	64	5,115	480

Note 10.2 Additional analysis of asset ownership

	Group/Foundation Trust								
	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 2014	224,107	26,447	161,116	1,157	4,647	25,081	64	5,115	480
Freehold	4,129	0	4,129	0	0	0	0	0	0
Long Leasehold	10,015	0	10,015	0	0	0	0	0	0
Short Leasehold	238,251	26,447	175,260	1,157	4,647	25,081	64	5,115	480

Note 10.1 Property, plant and equipment 2012/13

	Group/Foundation Trust								
	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 2012	379,642	51,625	219,830	3,391	1,023	58,858	702	33,582	10,631
Additions - purchased	34,669	0	17,709	(4)	7,789	5,993	33	2,997	152
Additions - leased	0	0	0	0	0	0	0	0	0
Additions - donated	308	0	8	0	0	300	0	0	0
Impairments charged to operating expenses	0	0	0	0	0	0	0	0	0
Impairments charged to revaluation reserve	(49,893)	(25,178)	(23,345)	(1,370)	0	0	0	0	0
Reversal of impairments	17,301	0	17,241	60	0	0	0	0	0
Reclassifications	0	0	131	95	90	(316)	0	0	0
Revaluation surpluses	(60,169)	0	(59,746)	(423)	0	0	0	0	0
Disposals	(3,469)	0	171,828	1,749	8,902	(481)	0	(2,989)	0
Cost or valuation at 31 March 2013	318,389	26,447	171,828	1,749	8,902	64,354	735	33,591	10,783
Accumulated depreciation at 1 April 2012	86,868		9,590	312		39,605	577	27,140	9,644
Provided during the year	17,292		9,511	257		3,802	52	2,917	753
Impairments recognised in operating expenses	47,931		47,665	266		0	0	0	0
Reversal of impairments	(6,613)		(6,613)	0		0	0	0	0
Reclassifications	0		(6)	2		4	0	0	0
Revaluation surpluses	(60,169)		(59,746)	(423)		0	0	0	0
Disposals	(2,719)		0	0		(481)	0	(2,238)	0
Accumulated depreciation at 31 March 2013	82,590	0	401	414	0	42,930	629	27,819	10,397
Net book value	282,429	51,625	200,478	3,079	1,023	18,720	125	6,428	951
NBV - Owned at 1 April 2012	7,603	0	7,603	0	0	0	0	0	0
NBV - Finance Lease & PFI Assets at 1 April 2012	2,742	0	2,159	0	0	533	0	14	36
NBV - Donated at 1 April 2012	292,774	51,625	210,240	3,079	1,023	19,253	125	6,442	987
Net book value	222,855	26,447	159,233	1,335	8,902	20,696	106	5,763	373
NBV - Owned at 31 March 2013	8,103	0	8,099	0	0	4	0	0	0
NBV - Finance lease & PFI Assets at 31 March 2013	4,841	0	4,095	0	0	724	0	9	13
NBV - Donated at 31 March 2013	235,799	26,447	171,427	1,335	8,902	21,424	106	5,772	386
Net book value	228,790	26,447	164,418	1,335	8,902	21,424	106	5,772	386
Freehold	6,713	0	6,713	0	0	0	0	0	0
Long Leasehold	296	0	296	0	0	0	0	0	0
Short Leasehold	235,799	26,447	171,427	1,335	8,902	21,424	106	5,772	386
NBV total at 31 March 2013	235,799	26,447	171,427	1,335	8,902	21,424	106	5,772	386

Note 10.4 Additional analysis of asset ownership

	Group/Foundation Trust								
	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 2013	228,790	26,447	164,418	1,335	8,902	21,424	106	5,772	386
Freehold	6,713	0	6,713	0	0	0	0	0	0
Long Leasehold	296	0	296	0	0	0	0	0	0
Short Leasehold	235,799	26,447	171,427	1,335	8,902	21,424	106	5,772	386
NBV total at 31 March 2013	235,799	26,447	171,427	1,335	8,902	21,424	106	5,772	386

All of the figures in Note 10 represent the position of the Group and the Foundation Trust as the Charity has no Tangible fixed assets (See Note 2).

Note 10.5 Property plant equipment revaluations in 2013/14

The Trust's revaluation policy requires a full revaluation every five years, last completed 2012/13, with an interim valuation required in-between. A full revaluation was not completed in 2013/14 as the Trust's valuer, GVA, explained that the market indices did not suggest any significant variations to the MEAVs they calculated last year.

The Trust did choose to value seven larger build projects that were completed in year. The GVA carried out this work in accordance with the terms of the Royal Institution of Chartered Surveyors' Valuation - Professional Standards, incorporating the International Valuation Standards (March 2012), the requirements of HM Treasury Financial Reporting Manual Guidelines and IAS 16 (Property Plant and Equipment). Public sector bodies, including the NHS, are required to apply the Revaluation Model set out in IAS 16 and value their capital assets to fair value.

Fair value is defined in IAS 16 as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms length transaction.

The assessment of fair value has been made on the assumption that the property is sold as part of the continuing enterprise in occupation (Existing Use Value).

Non-specialised operational assets

The basis used for the valuation of non-specialised operational Trust-occupied property for accounting purposes under IAS 16 is fair value, which is the market value, subject to the assumption that the property is sold as part of the continuing enterprise in occupation.

Specialised operational property

Depreciated Replacement Cost (DRC) is the valuation approach adopted for reporting the value of specialised operational property for financial accounting purposes. The Royal Institute of Chartered Surveyors Standards at Appendix 4.1, restating International Valuation Application (IVA 1) defines this as "the current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation."

Revaluation losses 2012/13 and 2013/14

The impairments have arisen due to the fall in value of specialised property arising as a result of the changes in market conditions and therefore do not relate to the movement in economic value or value in use of those assets.

The revaluation that took place as at 31st March 2014 showed a reduction of £5,193k in value. Of this, a loss of £434k is shown in the other comprehensive income section and is split between increases to the revaluation reserve of £632k in addition to impairments charges to the revaluation reserve of £1,066k. The remaining charge of £4,759k relates to impairments charges to the Statement of Comprehensive Income. The net impairment movement is shown in note 8.2.

The items revalued were: Yardley Green Car Park, Good Hope Combined Heating Plant, Good Hope Cedarwood, The redecoration of the Birmingham Chest Clinic, The Trust wide Energy and Sustainability investment, the Replacement generator at Solihull and the HPA refurbishment of part of the Pathology building at Heartlands.

Note 10.6 Leased assets to other organisations

The carrying amount of the assets leased to other organisations as at 31st March 2014 is £168k (£178k restated for 2012/13). The depreciation charged during 2013/14 was £10k (£Nil restated for 2012/13).

Note 11.1 Assets held under finance leases and PFI arrangements 2013/14

	Group/Foundation Trust		
	Total Finance Lease and PFI Assets	Buildings excluding dwellings held under Finance Lease	Buildings PFI arrangements
	£000	£000	£000
Cost or valuation at 1 April 2013	8,453	3,869	4,584
Additions - purchased	0	0	0
Reclassifications	6,075	6,075	
Impairments charged to revaluation reserve	0	0	0
Impairments charged to SOCI	(168)	(168)	0
Revaluation surpluses	0	0	0
Disposals	0	0	0
Cost or valuation at 31 March 2014	14,360	9,776	4,584
Accumulated depreciation at 1 April 2013	0	0	0
Provided during the year	216	6	210
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 2014	216	6	210
Net book value			
NBV - Purchased at 1 April 2013	8,453	3,869	4,584
NBV - Donated at 1 April 2013	0	0	0
NBV total at 1 April 2013	8,453	3,869	4,584
Net book value			
NBV - Purchased at 31 March 2014	14,144	9,770	4,374
NBV - Donated at 31 March 2014	0	0	0
NBV total at 31 March 2014	14,144	9,770	4,374

The figures above represent the position of the Group and the Foundation Trust as the Charity has no Finance leases or PFI schemes (See Note 2).

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 2014 is £4,049k (31 March 2013 £4,243k).

(2) Ener-G Combined Power Limited is a contract for the provision of energy management services at Heartlands Hospital. The net book value at 31 March 2014 is £325k (31 March 2013 £341k).

Note 20.4 provides more detail on these contracts.

Note 11.2 Assets held under finance leases and PFI arrangements 2012/13

	Group/Foundation Trust		
	Total Finance Lease and PFI Assets	Buildings excluding dwellings held under Finance Lease	PFI arrangements
	£000	£000	£000
Cost or valuation at 1 April 2012	7,839	3,055	4,784
Additions - purchased	0	0	0
Impairments charged to revaluation reserve	(480)	0	(480)
Impairments charged to SOCI	(1,403)	(1,084)	(319)
Revaluation surpluses	2,497	1,898	599
Disposals	0	0	0
Cost or valuation at 31 March 2013	8,453	3,869	4,584
Accumulated depreciation at 1 April 2012	236	111	125
Provided during the year	234	109	125
Impairments recognised in operating expenses	0	0	0
Reversal of impairments	0	0	0
Revaluation surpluses	(470)	(220)	(250)
Disposals	0	0	0
Accumulated depreciation at 31 March 2013	0	0	0
Net book value			
NBV - Purchased at 1 April 2012	6,682	2,023	4,659
NBV - Donated at 1 April 2012	921	921	0
NBV total at 1 April 2012	7,603	2,944	4,659
Net book value			
NBV - Purchased at 31 March 2013	5,597	1,013	4,584
NBV - Donated at 31 March 2013	2,856	2,856	0
NBV total at 31 March 2013	8,453	3,869	4,584

The figures above represent the position of the Group and the Foundation Trust as the Charity has no Finance leases or PFI schemes (See Note 2).

Note 12.1 Investments 2013/14

	Group			Foundation Trust		
	Investment Property	Investments in associates (and joined controlled operations)	Other Investments	Investment Property	Investments in associates (and joined controlled operations)	Other Investments
	2013/14 £000	2013/14 £000	2013/14 £000	2013/14 £000	2013/14 £000	2013/14 £000
Carrying value at 01 April 2013	0	0	7,195	0	0	0
Transfers by absorption - Modified	0			0		
Acquisitions in year - subsequent expenditure	0		0	0		0
Acquisitions in year - other	0	0	0	0	0	0
Share of profit/(loss)		0			0	
Fair value gains [taken to I&E]	0	0	0	0	0	0
Fair value losses (impairment) [taken to I&E]	0	0	0	0	0	0
Movement in fair value of Available-for-sale financial assets recognised in Other Comprehensive Income			428			0
Impairments		0			0	
Reversal of impairment		0			0	
Disposals	0	0	(10)	0	0	0
Other equity movements		0			0	
Carrying value at 31 March 2014	0	0	7,613	0	0	0

These are investments made by the appointed investment manager on behalf of the Charity to meet the target criteria set out in their appointment letter whilst applying the rules set out in the Investment Policy.

Note 12.2 Investments 2012/13

	Group			Foundation Trust		
	Investment Property	Investments in associates (and joined controlled operations)	Other Investments	Investment Property	Investments in associates (and joined controlled operations)	Other Investments
	2012/13 £000	2012/13 £000	2012/13 £000	2012/13 £000	2012/13 £000	2012/13 £000
Carrying value at 01 April 2012	0	0	0	0	0	0
Prior Year Adjustment	0	0	6,439	0	0	0
Carrying value at 01 April 2012 (restated)	0	0	6,439	0	0	0
Transfers by absorption - Modified	0			0		
Acquisitions in year - subsequent expenditure	0		0	0		0
Acquisitions in year - other	0	0	411	0	0	0
Share of profit/(loss)		0			0	
Fair value gains [taken to I&E]	0	0	759	0	0	0
Fair value losses (impairment) [taken to I&E]	0	0	0	0	0	0
Movement in fair value of Available-for-sale financial assets recognised in Other Comprehensive Income			0			0
Impairments		0			0	
Reversal of impairment		0			0	
Disposals	0	0	(414)	0	0	0
Other equity movements		0			0	
Carrying value at 31 March 2013	0	0	7,195	0	0	0

The investments in this Note relate to the Charity only. The Trust has no investments.

Note 13.1 Inventories

	Group/Foundation Trust	
	31 Mar 2014	31 Mar 2013
	£000	£000
Drugs	2,312	2,353
Work in progress	65	45
Consumables	5,385	5,053
Energy	235	287
Other	0	0
TOTAL	7,997	7,738

Note 13.2 Analysis of inventories

	Group/Foundation Trust	
	31 Mar 2014	31 Mar 2013
	£000	£000
Opening carrying value	7,738	7,874
Add: Additions	115,708	108,589
Less: Inventories recognised in expenses	(115,352)	(108,582)
Less: Write-down of inventories recognised as an expense	(97)	(143)
Add: Reversal of any write down of inventories resulting in a reduction of recognised expenses	0	0
Other	0	0
Carrying value at 31 March	7,997	7,738

The figures above represent the position of the Group and the Foundation Trust as the Charity has no Inventories (See Note 2).

Note 14.1 Trade and other receivables

	Group		Foundation Trust	
	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013
	£000	£000	£000	£000
Current				
NHS Receivables -Revenue	21,541	12,262	21,541	12,262
NHS Receivables -Capital	0	0	0	0
Receivables due from NHS charities -Revenue	0	0	0	0
Other receivables with related parties -Revenue	1,447	7,432	1,447	7,432
Other receivables with related parties -Capital	0	0	0	0
Provision for impaired receivables	(9,802)	(9,693)	(9,802)	(9,693)
Prepayments	6,206	4,553	6,206	4,553
Accrued income	623	301	623	301
Interest receivable	119	25	119	25
PDC dividend receivable	1,049	1,412	1,049	1,412
VAT receivable	1,597	1,510	1,597	1,510
Other receivables -Revenue	6,567	3,919	7,111	4,088
TOTAL	29,347	21,721	29,891	21,890
Non-Current				
NHS Receivables -Revenue	0	0	0	0
NHS Receivables -Capital	0	0	0	0
Other receivables with related parties -Revenue	2,771	2,989	2,771	2,989
Provision for impaired receivables	(1,711)	(1,494)	(1,711)	(1,494)
Prepayments	0	0	0	0
Accrued income	0	0	0	0
Other receivables -Revenue	0	0	0	0
TOTAL	1,060	1,495	1,060	1,495

Note 14.2 Provision for impairment of receivables

	Group		Foundation Trust	
	2013/14	2012/13	2013/14	2012/13
	£000	£000	£000	£000
As at 1 April	11,187	11,669	11,187	11,669
Increase in provision	2,291	879	2,291	879
Amounts utilised	(1,965)	(1,361)	(1,965)	(1,361)
Unused amounts reversed	0	0	0	0
At 31 March	11,513	11,187	11,513	11,187

There is no provision for impairment of receivables within the Charity's Accounts.

Note 14.3 Analysis of impaired receivables

	Group		Foundation Trust	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
	£000	£000	£000	£000
Ageing of impaired receivables				
0-30 days	3,392	920	3,392	920
30-60 Days	627	392	627	392
60-90 days	601	506	601	506
90-180 days	1,353	938	1,353	938
Over 180 days	5,540	8,431	5,540	8,431
TOTAL	11,513	11,187	11,513	11,187
Ageing of non-impaired receivables past their due date				
0-30 days	0	2,553	0	2,553
30-60 Days	742	682	742	682
60-90 days	229	987	229	987
90-180 days	1,941	742	1,941	742
Over 180 days	1,491	3,016	1,491	3,016
TOTAL	4,403	7,980	4,403	7,980

Note 15 Trade and other payables

	Group		Foundation Trust	
	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013
	£000	£000	£000	£000
Current				
Receipts in advance	0	0	0	0
NHS payables -Revenue	340	248	340	248
NHS payables -Capital	0	0	0	0
Amounts due to other related parties -Revenue	0	378	0	378
Amounts due to other related parties -Capital	0	0	0	0
Trade payables -Revenue	3,513	2,829	3,476	2,806
Trade payables -Capital	4,136	5,532	4,136	5,532
Social Security costs	70	143	70	143
Other taxes payable	71	153	71	153
Other payables	1,697	1,537	1,697	1,537
Accruals	47,631	41,242	47,631	41,242
TOTAL	57,458	52,062	57,421	52,039

Note 16 Other liabilities

	Group		Foundation Trust	
	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013
	£000	£000	£000	£000
Current				
Deferred Income	6,605	10,292	6,605	10,292
Deferred PFI credits	0	0	0	0
TOTAL	6,605	10,292	6,605	10,292

There are no non-current other liabilities in 2013/14 (or 2012/13).

There are no Other liabilities in the Charity's Accounts.

Note 17 Borrowings

	Group/Foundation Trust	
	31 March 2014	31 March 2013
	£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	110
Obligations under Private Finance Initiative contracts	224	224
TOTAL	480	334
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	1,746	2,011
Obligations under Private Finance Initiative contracts	2,574	2,770
TOTAL	4,320	4,781

The figures above represent the position of the Group and the Foundation Trust as the Charity has no Borrowings (See Note 2).

Note 18 Prudential borrowing limit

Group/Foundation Trust Prudential Borrowing Limit disclosures are no longer required, the Prudential Borrowing Code having been repealed by the Health and Social Care Act 2012.

Note 19 Finance lease obligations

	Group/Foundation Trust	
	Minimum Lease Payments	Minimum Lease Payments
	31 March 2014 £000	31 March 2013 £000
Gross lease liabilities	2,797	3,063
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.	1,513	1,779
Finance charges allocated to future periods	(795)	(942)
Net lease liabilities	2,002	2,121
not later than one year;	256	110
later than one year and not later than five years;	634	545
later than five years.	1,112	1,466
	2,002	2,121
	Present Value of Minimum Lease Payments	Present Value of Minimum Lease Payments
	31 March 2014 £000	31 March 2013 £000
Gross lease liabilities	1,911	2,038
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.	843	970
Finance charges allocated to future periods	(679)	(679)
Net lease liabilities	1,232	1,359
not later than one year;	113	113
later than one year and not later than five years;	484	484
later than five years.	635	762
	1,232	1,359

The figures above represent the position of the Group and the Foundation Trust as the Charity has no Finance Leases (See Note 2).

Note 20.1 PFI obligations (on SoFP)

	Group/Foundation Trust	
	31 Mar 2014	31 Mar 2013
	£000	£000
Gross PFI liabilities	3,990	4,336
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.	2,870	3,216
	(1,192)	(1,342)
Finance charges allocated to future periods	2,798	2,994
Net PFI liabilities		
not later than one year;	224	224
later than one year and not later than five years;	425	388
later than five years.	2,149	2,382
	2,798	2,994

The figures above represent the position of the Group and the Foundation Trust as the Charity has no PFI obligations (See Note 2).

20.2 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:

	Group/Foundation Trust			
	31 Mar 2014	31 Mar 2014	31 Mar 2014	31 Mar 2013
	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)	908	0	908	839
11th to 15th years (inclusive)	67	67	0	0
16th to 20th years (inclusive)	0	0	0	59
21st to 25th years (inclusive)	0	0	0	0
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

20.3 On-SoFP PFI service charge commitments

	Group/Foundation Trust			
	31 Mar 2014	31 Mar 2014	31 Mar 2014	31 Mar 2013
	Total	PFI 1	PFI 2	Total
	£000	£000	£000	£000
Within one year	975	67	908	898
2nd to 5th years (inclusive)	3,898	268	3,630	3,592
Later than five years	3,865	764	3,101	4,439
Total	8,738	1,099	7,639	8,929

20.4 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 Ener-G 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 £67k (PFI1) and £908k (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 2013/14 was £975k (2012/13 £898k).

Note 21 Provisions for liabilities and charges

	Group/Foundation Trust		Group/Foundation Trust					
	Current		Non-current		Non-current			
	31 March 2014	31 March 2013	31 March 2014	31 March 2013	31 March 2014	31 March 2013		
	£000	£000	£000	£000	£000	£000		
Pensions relating to former directors	0	0	0	0				
Pensions relating to other staff	196	181	2,704	2,580				
Other legal claims	425	390	0	0				
Agenda for Change	313	402	0	0				
Redundancy	2,837	3,000	0	0				
Kennedy Review	4,975	1,438	0	0				
Other	4,017	5,267	5,200	0				
TOTAL	12,763	10,678	7,904	2,580				

	Group/Foundation Trust						
	Total	Pensions - other staff	Other legal claims	Agenda for Change	Kennedy Review	Redundancy	Other
	£000	£000	£000	£000	£000	£000	£000
At 1 April 2013	13,258	2,761	390	402	1,438	3,000	5,267
Change in the discount rate	28	28	0	0	0	0	0
Arising during the year	12,661	334	277	8	4,340	0	7,702
Utilised during the year	(2,739)	(226)	(182)	0	(803)	(8)	(1,520)
Reversed unused	(2,544)	0	(60)	(97)	0	(155)	(2,232)
Unwinding of discount	3	3	0	0	0	0	0
At 31 March 2014	20,667	2,900	425	313	4,975	2,837	9,217

	Expected timing of cash flows:						
not later than one year;	12,763	196	425	313	4,975	2,837	4,017
later than one year and not later than five years;	6,018	818	0	0	0	0	5,200
later than five years.	1,886	1,886	0	0	0	0	0
TOTAL	20,667	2,900	425	313	4,975	2,837	9,217

The figures above represent the position of the Group and the Foundation Trust as the Charity has no Provisions for liabilities and charges (See Note 2).

Note 21 Provisions for liabilities and charges (continued)

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 1.8% (2012/13 2.35%).

'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 2014/15 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.

Included in 'Other' is a 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.

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.

The total value of clinical negligence provisions carried by the NHSLA on behalf of the Trust is £127,036k (£101,992k, 2012/13). This figure is not recognised in the Trust's accounts.

Note 22 Revaluation reserve

	Group/Foundation Trust
	Revaluation Reserve -property, plant and equipment
	£000
Revaluation reserve at 1 April 2013	50,621
Impairments	(434)
Revaluations	0
Transfers to other reserves	(3,468)
Other recognised gains and losses	0
Other reserve movements	0
Revaluation reserve at 31 March 2014	46,719
Revaluation reserve at 1 April 2012	85,340
Impairments	(32,592)
Revaluations	0
Transfers to other reserves	(2,127)
Other recognised gains and losses	0
Other reserve movements	0
Revaluation reserve at 31 March 2013	50,621

The figures above represent the position of the Group and the Foundation Trust as the Charity has no Revaluation Reserve (See Note 2).

All revaluation reserve movements relate to property plant and equipment.

The transfers to other reserves is the amortisation of the revaluation reserve over the life the asset it relates to and is transferred to the I&E reserve

In 2013/14 the Trust performed a revaluation exercise for a number of Building assets which resulted in an overall decrease in asset value of £5,193k. Of this impairments of £1,066k were charged to the revaluation reserve and a gain of £632k increased the revaluation reserve.

Note 23.1 Cash and cash equivalents

	Group		Foundation Trust	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
	£000	£000	£000	£000
At 1 April (as previously stated)	95,228	97,165	93,665	97,165
Prior year adjustments	0	688	0	0
At 1 April (restated)	95,228	97,853	93,665	97,165
Net change in year	(7,257)	(2,625)	(6,966)	(3,500)
	87,971	95,228	86,699	93,665
Broken down into:				
Cash at commercial banks and in hand	1,292	1,599	20	36
Cash with the Government Banking Service	11,679	93,629	11,679	93,629
Other current investments	75,000	0	75,000	0
Cash and cash equivalents as in SoFP	87,971	95,228	86,699	93,665
Bank overdrafts	0	0	0	0
Cash and cash equivalents as in SoCF	87,971	95,228	86,699	93,665

The Charity's cash is held in an RBS current account.

Note 23.2 Third party assets held by the NHS Foundation Trust

The Trust held £15k (£18k 31 March 2013) of cash at bank and in hand at 31 March 2014 which relates to monies held by the Trust on behalf of patients. This has been excluded from the cash at bank and in hand figure reported in the accounts. No third party assets were held by the Charity at 31 March 2014 or at 31 March 2013.

Note 24 Contractual capital commitments

Commitments under contracts at the 'Statement of Financial Position' date were:

	Group/Foundation Trust	
	31 March 2014	31 March 2013
	£000	£000
Property, Plant and Equipment	5,041	2,813
Intangible assets	726	977
TOTAL	5,767	3,790

The majority of these commitments at 31 March 2014 and 31 March 2013 relate to site strategy developments.

The Charity has no Contractual Capital Commitments.

Note 25 Events after the reporting year

There have been no events after the reporting year.

Note 26 Contingent assets/liabilities

	Group/Foundation Trust	
	31 March 2014	31 March 2013
	£000	£000
Gross value of contingent liabilities	(162)	(189)
Amounts recoverable against liabilities	0	0
Net value of contingent liabilities	(162)	(189)

The contingent liabilities in 2013/14 (and 2012/13) were 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.

The figures above represent the position of the Group and the Foundation Trust as the Charity has no Contingent assets or liabilities.

Note 27.1 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 33 gives an analysis of the relationship with Heartlands Education Centre Limited (HECL). Adrian Stokes, Director of Emergency Pathway Transformation and Deputy Chief Executive of the Trust is also a Director on the Board of HECL.

All significant related party transactions are in relation to the primary activities of the Trust i.e. Provision of Healthcare.

The Trust has entered into a significant number of material transactions with the following organisations for which there are no guarantees given or received:

	Group/Foundation Trust	
	Income	Income
	31 March 2014	31 March 2013
	>£5m	>£5m
	£000	£000
Birmingham East and North PCT	0	301,566
Heart of Birmingham Teaching PCT	0	30,137
Solihull PCT	0	133,337
South Birmingham PCT	0	23,525
South Staffordshire PCT	0	39,733
Walsall Teaching PCT	0	6,713
Warwickshire PCT	0	9,562
West Midlands Strategic Health Authority	0	20,641
NHS Birmingham Crosscity CCG	231,491	0
NHS Birmingham South And Central CCG	14,696	0
NHS Sandwell And West Birmingham CCG	8,005	0
NHS Solihull CCG	134,626	0
NHS South East Staffs And Seisdon Peninsular CCG	33,483	0
NHS Walsall CCG	6,190	0
NHS Warwickshire North CCG	6,323	0
Birmingham and the Black Country Area Team	112,570	0
Health Education England	23,070	0
Birmingham City Council	7,084	433
TOTAL	577,538	565,647

	Group/Foundation Trust	
	Expenditure	Expenditure
	31 March 2014	31 March 2013
	>£5m	>£5m
	£000	£000
Health Protection Agency	0	5,720
National Insurance Fund	24,248	24,375
NHS Litigation Authority	12,185	12,967
NHS Pension Scheme	36,503	34,444
Public Health England	6,097	0
TOTAL	79,033	77,506

Note 27.2 Related party balances

All significant related party balances are in relation to the primary activities of the Trust i.e. Provision of Healthcare.

The Trust has entered into a significant number of material transactions with the following organisations for which there are no guarantees given or received:

	Group/Foundation Trust	
	Receivables	Receivables
	31 March 2014	31 March 2013
	>£0.5m	>£0.5m
	£000	£000
Birmingham City Council	100	4,227
Birmingham East and North PCT	0	3,604
Burton Hospitals NHS Foundation Trust	1,354	453
Department of Works & Pensions	1,614	4,598
Health Protection Agency	0	858
HM Revenue & Customs	1,597	1,510
Solihull Metropolitan Borough Council	1,414	1,419
Solihull PCT	0	1,319
South Staffordshire PCT	0	534
University Hospital Birmingham NHS FT	1,287	1,448
NHS Birmingham Crosscity CCG	4,103	0
NHS Solihull CCG	3,038	0
NHS South East Staffs And Seisdon Peninsular CCG	799	0
NHS Warwickshire North CCG	621	0
Birmingham and the Black Country Area Team	4,280	0
Leicestershire and Lincolnshire Area Team	611	0
NHS England	742	0
TOTAL	21,560	19,970

	Group/Foundation Trust	
	Payables	Payables
	31 March 2014	31 March 2013
	>£0.5m	>£0.5m
	£000	£000
Department of Health	1,254	1,463
Health Protection Agency	0	3,764
NHS Property Services	2,944	0
Community Health Partnerships	1,910	0
TOTAL	6,108	5,227

Note 27.3 Key management personnel compensation

Under IAS 24 (Related Party Disclosures) there are additional disclosure requirements in respect key management personnel compensation. Note 4.4 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 Director of Workforce 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:

	Group/Foundation Trust	
	2013/14	2012/13
	£'000	£'000
Salaries and other short term benefits	2,075	1,890
Pension contributions	227	199
Other long term benefits	0	0
Post employment benefits	0	0
Termination benefits	0	0
Total	2,302	2,089

There were no amounts owing to Key Management Personnel at the beginning or end of the financial year.

Note 28 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 £760k was paid in 2013/14. This is a 15 year agreement.

The Trust is accounting for this scheme as an off Statement of Financial Position 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:

An estimated increase of 3% per annum has been added to reflect higher RPI and Inflation. Previous annual reports have not included this increase. The increase is in line with real amendments to prior years.

	Group/Foundation Trust	
	31 Mar 2014	31 Mar 2013
	Total	Total
	£000	£000
Within one year	781	736
2nd to 5th years (inclusive)	3,366	2,944
Later than five years	5,857	5,152
Total	10,004	8,832

Note 29.1 Financial risk management

IFRS7 (Financial Instruments: Disclosures) requires disclosure of the role that financial instruments have had during the year 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 Clinical Commissioning (CCG) and the way those CCGs 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 CCG's has re-emerged as a theme, the Trust regularly reviews the level of actual and contracted activity with the CCG'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 financial risks faced by the Charity are assessed by the Donated Funds Committee (DFC) as part of its duty of care. It must be satisfied that the main risks associated with investments and the ways they are managed are kept to a minimum.

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 cash flows 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.

With the investments made by the Charity there is the risk that investments may decrease in value. The DFC needs to assess market risk in association with its investment managers.

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 CCGs, 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 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.

For investments held by the Charity consideration has to be given to the time frame and characteristics of different types of investments.

Capital risk

For investments held by the Charity there is the risk that all or part of the value of the investment is lost. The DFC attempts to diversify the portfolio of assets so if the investment value of one class of assets fails it may be offset by increases in a different class of assets. The investment portfolio is managed on the Charity's behalf by an investment company.

Note 29.2 Financial assets by category

	Group		
	Total	Loans and receivables	Available-for- sale
	£000	£000	£000
Assets as per SoFP			
Trade and other receivables excluding non financial assets	21,964	21,964	0
Other Investments	7,613	0	7,613
Other Financial Assets	0	0	0
Cash and cash equivalents (at bank and in hand)	87,971	87,971	0
Total at 31 March 2014	117,548	109,935	7,613
Trade and other receivables excluding non financial assets	14,796	14,796	0
Other Investments	7,195	0	7,195
Other Financial Assets	0	0	0
Cash and cash equivalents (at bank and in hand)	95,228	95,228	0
Total at 31 March 2013	117,219	110,024	7,195
	Foundation Trust		
	Total	Loans and receivables	Available-for- sale
	£000	£000	£000
Assets as per SoFP			
Trade and other receivables excluding non financial assets	21,932	21,932	0
Other Investments	0	0	0
Other Financial Assets	0	0	0
Cash and cash equivalents (at bank and in hand)	86,699	86,699	0
Total at 31 March 2014	108,631	108,631	0
Trade and other receivables excluding non financial assets	14,776	14,776	0
Other Investments	0	0	0
Other Financial Assets	0	0	0
Cash and cash equivalents (at bank and in hand)	93,665	93,665	0
Total at 31 March 2013	108,441	108,441	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 14.1 Trade receivables and other receivables. The Available for Sale Financial Assets are investments for the Charity (See Note 12 for details).

Note 29.3 Financial liabilities by category

	Group		
	Total	Other financial liabilities	Liabilities at fair value through I&E
	£000	£000	£000
Liabilities as per SoFP			
Borrowings excluding Finance lease and PFI liabilities	0	0	0
Obligations under finance leases	2,002	2,002	0
Obligations under Private Finance Initiative contracts	2,798	2,798	0
Trade and other payables excluding non financial assets	57,458	57,458	0
Other financial liabilities	0	0	0
Provisions under contract	17,767	17,767	0
Total at 31 March 2014	80,025	80,025	0
Borrowings excluding Finance lease and PFI liabilities	0	0	0
Obligations under finance leases	2,121	2,121	0
Obligations under Private Finance Initiative contracts	2,994	2,994	0
Trade and other payables excluding non financial assets	52,062	52,062	0
Other financial liabilities	0	0	0
Provisions under contract	10,497	10,497	0
Total at 31 March 2013	67,674	67,674	0
	Foundation Trust		
	Total	Other financial liabilities	Liabilities at fair value through I&E
	£000	£000	£000
Liabilities as per SoFP			
Borrowings excluding Finance lease and PFI liabilities	0	0	0
Obligations under finance leases	2,002	2,002	0
Obligations under Private Finance Initiative contracts	2,798	2,798	0
Trade and other payables excluding non financial assets	57,421	57,421	0
Other financial liabilities	0	0	0
Provisions under contract	17,767	17,767	0
Total at 31 March 2014	79,988	79,988	0
Borrowings excluding Finance lease and PFI liabilities	0	0	0
Obligations under finance leases	2,121	2,121	0
Obligations under Private Finance Initiative contracts	2,994	2,994	0
Trade and other payables excluding non financial assets	52,039	52,039	0
Other financial liabilities	0	0	0
Provisions under contract	10,497	10,497	0
Total at 31 March 2013	67,651	67,651	0

Note 29.4 Fair values of financial assets

There is no difference between the book value and fair value of the financial assets at 31 March 2014.

Note 29.5 Fair values of financial liabilities

There is no difference between the book value and fair value of the financial liabilities at 31 March 2014.

Note 29.6 Foreign currency risk

The Trust has no foreign currency income and negligible foreign currency expenditure.

Note 30 Other financial assets

The Foundation Trust had no 'Other Financial Assets' at 31 March 2014, 31 March 2013 or 1 April 2012. Other Financial Assets for the Charity were £Nil at 31 March 2014, £Nil 31 March 2013, £1m at 1 April 2012.

Note 31 Losses and special payments

There were 118 cases of losses and special payments totalling £2,605k approved during 2013/14 (1,648 in 2012/13, costing £705k).

Legal claims totalling £76k (£170k, 2012/13) are included within these figures, but they are classified under 'Legal fees' rather than 'Losses, ex gratia and special payments' in Note 4.1 Operating Expenses.

In 2013/14 there was one (1, 2012/13) individual case where the net payment/loss exceeded £100,000.

These losses are reported on an accruals basis excluding provision for future losses.

Note 32 Prior year adjustments

As highlighted in Note 1.2 the Heart of England NHS Foundation Trust General Charitable Fund (The Charity) was consolidated into the Group Accounts of the Trust as at 1 April 2012 in accordance with IAS 27. A Prior Year Adjustment has been required to reflect this consolidation. The effect of this adjustment on the 2012/13 Accounts is summarised below.

<u>Statement of Comprehensive Income</u>	2012/13	Adjustments	2012/13
	£000	£000	(restated)
	£000	£000	£000
Operating Income	628,962	972	629,934
Operating Expenses	(653,379)	(1,283)	(654,662)
OPERATING (DEFICIT)	(24,417)	(311)	(24,728)
FINANCE COSTS			
Finance income	1,872	304	2,176
Finance cost - financial liabilities	(310)	0	(310)
Finance cost - unwinding of discount on provisions	(4)	0	(4)
PDC Dividends payable	(7,636)	0	(7,636)
NET FINANCE COSTS	(6,078)	304	(5,774)
Movement in fair value of investments	0	0	0
(DEFICIT) FOR THE YEAR	(30,495)	(7)	(30,502)
Other comprehensive income			
Impairments	(32,592)	0	(32,592)
Revaluations	0	0	0
Gain from transfer from demising bodies	0	0	0
Transfer to retained earnings on disposal of assets	0	0	0
Fair value gains on Available-for-sale financial investments	0	759	759
Other reserve movements	0	0	0
TOTAL COMPREHENSIVE INCOME / (EXPENSE) FOR THE YEAR	(63,087)	752	(62,335)

Statement of Financial Position as at :-

	As at 31 Mar 2012	Adjustments	As at 1 Apr 2012 (restated)
	£000	£000	£000
Non-current assets			
Intangible assets	4,809	0	4,809
Property, plant and equipment	292,774	0	292,774
Investments	0	6,439	6,439
Trade and other receivables	1,493	0	1,493
Other financial assets	0	0	0
Total non-current assets	<u>299,076</u>	<u>6,439</u>	<u>305,515</u>
Current assets			
Inventories	7,874	0	7,874
Trade and other receivables	22,264	(299)	21,965
Other financial assets	0	1,000	1,000
Cash and cash equivalents	97,165	688	97,853
Total current assets	<u>127,303</u>	<u>1,389</u>	<u>128,692</u>
Current liabilities			
Trade and other payables	(48,063)	(14)	(48,077)
Borrowings	(480)	0	(480)
Other financial liabilities	0	0	0
Provisions for liabilities and charges	(6,433)	0	(6,433)
Other liabilities	(15,372)	0	(15,372)
Total current liabilities	<u>(70,348)</u>	<u>(14)</u>	<u>(70,362)</u>
Total assets less current liabilities	356,031	7,814	363,845
Non-current liabilities			
Trade and other payables	0	0	0
Borrowings	(4,941)	0	(4,941)
Other financial liabilities	0	0	0
Provisions for liabilities and charges	(2,473)	0	(2,473)
Other liabilities	0	0	0
Total non-current liabilities	<u>(7,414)</u>	<u>0</u>	<u>(7,414)</u>
Total assets employed	<u>348,617</u>	<u>7,814</u>	<u>356,431</u>
Financed by			
Taxpayers' equity			
Public Dividend Capital	211,114	0	211,114
Revaluation reserve	85,340	0	85,340
Other reserves	(169)	0	(169)
Income and expenditure reserve	52,332	0	52,332
Others' equity			
Charitable Fund reserves	0	7,814	7,814
Total taxpayers' and others' equity	<u>348,617</u>	<u>7,814</u>	<u>356,431</u>

Note 33 Subsidiary relationships

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.

	2013/14	2012/13
	£000	restated
	£000	£000
HECL net assets	(21)	(36)
HEFT net assets	291,749	294,096
%	<u>-0.01%</u>	<u>-0.01%</u>
HECL net profit	15	19
HEFT net profit	(5,402)	(62,335)
%	<u>-0.28%</u>	<u>-0.03%</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 (Director of Emergency Pathway Transformation and Deputy Chief Executive for the Trust) also sits on the Board of Directors with HECL.

Note 34 Transfer by absorption

On 1 April 2013, the Trust benefited from a £651k net gain to its Non-Current Assets relating to the net assets transferred from Solihull Care PCT. The accounting policy for this modified transfer by absorption is explained in Note 1.7. The details of these assets are highlighted in Notes 9.1 and 10.1, with a corresponding entry recognised within the Income and Expenditure reserve.



The Annual Report is available on the Trust website.
Copies of the Quality Accounts 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:

 Patient.feedback@heartofengland.nhs.uk

 0121 424 2000

 www.heartofengland.nhs.uk

 @heartofengland

 Heart of England NHS Foundation Trust