Heart Of England NHS Foundation Trust

Annual Report & Accounts 2014/15

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Chair's statement

Les Lawrence, chair

In the months since I became chair in June 2014 the trust has continued to face some tough challenges but we have also been able to explore a number of exciting opportunities.

Like so many hospital trusts we have seen unprecedented levels of demand in our accident and emergency departments as well as significant pressures on other services. These pressures have been particularly acute during the winter months but they have persisted year-round and it has been inspiring to see the dedication with which staff in hard-pressed parts of the service have provided usually excellent care to those who have come through their doors. They have continued to do what is asked of them with energy and integrity.

The high levels of demand that we saw throughout the year will inevitably grow in the future and we must seize the initiative so that our services can continue to cope. Our local CCGs, numerous partners in healthcare delivery and a wide range of stakeholders have given their time and expertise generously to help us, and we now have innovative plans to re-engineer trust services to meet the needs of our local communities. In developing these we have had very valuable insights from staff as well as from patients, local partners in the health economy and other stakeholders. We will continue to seek the opinions of all these groups and to listen to their experiences as we firm up our plans to start reshaping services during 2015-16. This is a large trust with robust financial controls and sufficient resources to invest in this major programme of work. We believe that patients and staff will all benefit as we create distinct identities and specialisms for each of our three hospital sites and invest in securing sustainable long-term futures for each one.

We have a great opportunity to transform our hospitals and our services and I look forward to seeing much progress over the next 12 months.

I have to temper that optimism with the recognition that some things have - sadly - gone wrong. In a busy, complex healthcare organisation that is sometimes inevitable and it's vital that, when a mistake is made, we take steps to learn from what has happened and to make sure it doesn't happen again. Over the past year we have had several issues to address.

At the end of 2013 Sir Ian Kennedy delivered his review of breast care services at Solihull Hospital and made a set of recommendations for improvements that the trust should make. Over the 15 months since then, we have been working on a number of projects to improve in areas where he said we fell short. One of these was our consent policy and processes. We have reviewed and revised the policy to make sure that securing a patient's informed consent is a continuous journey rather than a one-off form-filling exercise and that patients are fully empowered to make their own decisions about what happens to them. Another strand of work has involved amending our recruitment processes for consultants so that we recruit senior clinicians who share the trust's values and who are willing to work openly, as team players committed to providing patient-centred care. Work to implement Sir Ian's recommendations is ongoing; you can read more about what we are doing in the Ian Kennedy Review and Workforce sections of the strategic report.

And, to make sure that we can learn the lessons from our mortality information and speed up improvements in this vital area, we commissioned Stan Silverman to carry out a mortality review, looking into our hospital standardised mortality ratio (HSMR) and providing advice and guidance. More information about this can be found on page 44.

My predecessor as chairman, Lord Philip Hunt, always set huge store by the dedication and commitment of the governors and I'd also like to express my recognition of their contribution. As representatives of the communities we serve they add real value to our decision-making and their expertise will be much valued as we move on with our ambitious plans.

Our non-executive directors have given me huge support throughout the year. My thanks go to Lord Hunt who resigned as chairman on 31 May 2014, and to our current non-execs: Dr Patrick Cadigan, Mr Andrew Edwards, Ms Karen Kneller, Mr David Lock QC, Ms Alison Lord, Dr Jammi Rao and Prof Laura Serrant.

The executive management team has undergone some changes over the year, including the resignation of chief executive Dr Mark Newbold in November 2014. Commercial and strategy director Simon Hackwell left in May 2014 and director of patient experience and external affairs Lisa Thomson left in March 2015. I'd like to thank Dr Andrew Catto for stepping into the role of interim chief executive prior to the appointment of Mr Andrew Foster as interim chief executive in February 2015. I am confident that we now have a strong board and senior management team to take us into the future.

Finally, I'd like to extend my thanks to our growing army of volunteers, who never cease to impress with the range of activities they undertake for us, from fundraising for the trust charity to manning information stands and serving cups of tea – and to all trust staff for their professionalism, integrity and commitment.

Mr Les Lawrence
Chair
27 May 2015

Chief executive's statement

Andrew Foster, chief executive

The past year has been a very difficult one for Heart of England NHS Foundation Trust with serious concerns over performance, governance, finance, workforce and quality.

During this year, Monitor has instigated a regulatory intervention as a result of our persistent failure to meet a number of national targets, notably the four-hour A&E target, Referral to Treatment (RTT) target and two-week cancer target. These targets are important because they are a measure of patient care and of patient safety. In response, Deloitte LLP was commissioned to carry out an independent review of governance arrangements within the organisation in line with Monitor's well-led framework and it noted a number of significant concerns. Shortly thereafter there were extensive changes to the executive director team. In February 2015, I joined the trust as interim chief executive. To address the shortcomings identified by Deloitte I have reviewed executive portfolios and placed governance within the remit of the chief nurse and a robust governance recovery programme (GRP) is now being implemented. More information about this can be found on page 60.

During the same period we have experienced a deterioration in our finances resulting in a trading deficit of £5.6m against a planned surplus of £2m, and a survey of the workforce found that our trust scores in the bottom 20% in the NHS on most of the headings.

In my first few months at Heart of England I've made it a priority to visit each of our sites to see how the challenges that face so many of this country's acute hospital trusts are playing out locally. I wanted to understand any limitations that buildings, equipment and staffing levels place on our shared ambitions to improve performance. As the other side of the same coin, I wanted to identify opportunities for us to make significant progress with regard to patient experience and outcomes, as well as staff satisfaction and morale.

As part of that process I have spent some time meeting patients on the wards and in clinics as well as staff at workshops and briefings; I'd like to thank everyone for the information they have shared and the warm welcome that I have received.

During 2014-15 there has been a major focus on improvements in seven priority areas that will enable us to deliver on our commitment to be a safe and caring healthcare provider. In the Quality Account you will find full details of the progress we have made against those priorities as well as information on what remains to be done. It includes real basics such as the 'fundamentals of care'. This is an area in which it is possible to make significant improvements to patient experience and outcomes quite quickly and at relatively little cost. We have made very meaningful improvements in the areas of

privacy and dignity, pain management, nutrition and communications.

Another priority area has been to implement all elements of best practice with regard to fractured neck of femur and here we have made some improvements against several key measures, although we still have some way to go. The local time to theatre target (36 hours) is 90%, which we haven't achieved yet. But we have improved on our 2013-14 result of 60.3% - this year in month 10 we had achieved 66.5%.The indicators are moving in the right direction, with improvements each month from May 2014. Our efforts to improve are being hindered by a lack of theatre capacity; the first phase of our proposed surgery reconfiguration programme aims to give extra theatre capacity for orthopaedic procedures such as this.

In response to a review of stroke services across the Midlands and East of England in 2012, which recommended large-scale changes to delivery of stroke services across the region, we opened a new hyper acute stroke unit at Heartlands in October 2014. A new acute stroke unit was opened at the same site in January 2015 and we transferred all hyper acute work from Good Hope to Heartlands shortly afterwards. Now and in the coming months we are focusing on embedding the changes. Again, there is a lot of detail on this in the Quality Account and I am confident that this work is heading in the right direction.

I've been interested to see numerous genuinely innovative projects in progress, notably Project Pelican, an imaginative re-design of services for women and babies at Heartlands. Already several months in the making, plans are well advanced and the executive board expects to see a proposed solution in the early part of 2015-16.

In December 2014 the trust had an unannounced inspection by the Care Quality Commission (CQC). The CQC identified a number of areas for improvement and this resulted in an overall rating of requires improvement with seven compliance actions.

We carried out 22 investigations of severe harm incidents in line with the trust's own serious untoward incident policy and we have created an assurance panel to monitor progress with, and effectiveness of, quality improvement plans that arise from all incidents investigated in this way.

During the year we have invested £21m in capital projects, notably a new hybrid theatre at Heartlands that will have a state-of-the-art laser-guided robotic imaging system, as well as a new dermatology department at Solihull. There have been significant investments in greener and more energy efficient technologies including photovoltaic roof panels, combined heat and power engines and variable speed drive motors for theatre plant and ward air circulation. You can find out more in the Facilities, Estates and ICT section of the strategic report.

The past year has been challenging in many respects for everyone who works in the trust and I'd like to add my voice to the chairman's in thanking all staff for their unstinting hard work. It's evidence of the professionalism that exists within this workforce that the trust has won so many awards this year, including HSJ awards for non-executive director Laura Serrant, associate medical director Richard Steyn, deputy medical director, strategy and transformation, Matthew Cooke, and clinical director of therapy services, Mary Ross.

My thanks, too, go to our partners in the local healthcare sector – the GPs, Clinical Commissioning Groups and other colleagues who support us in providing joined-up healthcare for our communities.

Mr Andrew Foster
Chief executive
27 May 2015

About our trust

Today

Heart of England NHS Foundation Trust serves around 1.2m people in Birmingham East and North, Solihull, Sutton Coldfield and South Staffordshire. Our area has a very diverse population with large pockets of disadvantage and there are significant differences in health and life expectancy; this year's Annual Report and Accounts details some of the work we are undertaking with our partners in the local health economy to support the disadvantaged and improve outcomes for all.

Our trust has grown to serve the changing needs of the growing local population and it is now one of the largest in England.

We have a workforce of around 11,000 and we operate three local hospitals and community services with nearly 1,500 beds. The nationally-renowned Birmingham Chest Clinic is also an important part of the trust and we operate a number of satellite units that treat patients as near to their homes and families as possible.

Invaluable support comes from our army of 600 very active volunteers. They provide additional services to patients such as arts therapies, helping patients and visitors find their way around the hospitals, running a patient library as well as the traditional tea making for patients on wards and in clinics.

Today, Heart of England NHS Foundation Trust is recognised as a national leader in the treatment of MRSA and other infectious diseases. We also specialise in treating a range of illnesses and conditions including heart and kidney disease, cancer, HIV and cystic fibrosis and we have specialised expertise in premature baby care, bone marrow transplants and thoracic surgery.

In the last year our staff have:

- Treated 248,069 people in accident and emergency departments
- Delivered 79,844 elective and day case procedures
- Fulfilled 819,446 outpatient appointments
- Supported 10,721 births

The trust's income in 2014-15 was £647m.

History

In June 1895 Little Bromwich Hospital, a fever hospital and sanatorium, opened in Yardley, Birmingham. Later known as East Birmingham District General Hospital it acquired Marston Green Maternity Hospital before becoming Birmingham Heartlands NHS Trust, the first acute trust in the city, in 1992.

In 1993 the trust merged with Yardley Green Hospital and acquired Birmingham Chest Clinic then, in 1995, merged with Solihull Hospital to become Birmingham Heartlands and Solihull NHS Trust.

In 2005 it achieved foundation trust status and took the name it is known by today. In April 2007 Good Hope Hospital, Sutton Coldfield joined the fold. Since 2011 the trust has been providing a growing portfolio of community healthcare services for Solihull residents.

Executive management team

Jonathan Brotherton – director of operations
Darren Cattell – interim director of finance and performance
Dr Andrew Catto – medical director and deputy chief executive
Professor Matthew Cooke – deputy medical director (strategy and transformation)
Andrew Foster – chief executive
Sam Foster – chief nurse
Hazel Gunter – director of workforce and organisational development
Sue Hyland – deputy chief nurse
Jonathan Rex – interim director of ICT
Clive Ryder – deputy medical director (clinical performance)
John Sellars – director of asset management
Kevin Smith – company secretary
Adrian Stokes – deputy chief executive and director of delivery
Julie Tunney – deputy chief nurse

Directors' profiles

Chair and voting executive directors

Les Lawrence, chair

Les Lawrence was Cabinet Member for Children, Young People and Family Services at Birmingham City Council, a post he held from 2004 until 2012. Before joining the trust, he was chair at the Royal Orthopaedic Hospital for seven years and chair at the Alexandra Hospital in Redditch for four.

Prior to this he was a non-executive director and vice chair for South Birmingham Health Authority. He has substantial NHS and local government experience. Les joined the board on 1 April 2012 and became chair on 1 June 2014.

Andrew Foster, chief executive

Our trust has been seeking assistance from high performing trusts, The King's Fund and other potential partners as part of its Integrated Leadership Support and Resilience Programme.

As of February 2015, Andrew Foster was seconded from Wrightington, Wigan and Leigh NHS Foundation Trust (WWL) to the role of interim chief executive at Heart of England. Andrew is working with the existing board and executive team to identify and prioritise areas for improvement.

Andrew was appointed chief executive of WWL in January 2007. Before that he spent five years as NHS director of human resources (workforce director general) at the Department of Health with principal responsibility for implementing the workforce expansion and HR systems modernisation set out in the NHS Plan. Previously he spent two years as part time policy director (HR) at the NHS Confederation.

Jonathan Brotherton, director of operations

Jonathan Brotherton joined the trust in September 2014 as director of operations and was appointed to the board of directors in March 2015.

He joined the NHS in 1992 as a trainee paramedic in Worcestershire and was one of the inaugural members of the National Emergency Care Intensive Support Team (ECIST) during which time he qualified as a performance coach and management consultant. He graduated from the University of Worcester with a Masters degree in management studies in 2007 and has worked in senior management roles at Burton Hospitals and most recently at University Hospitals Coventry & Warwickshire NHS Trust as director of performance.

Darren Cattell, interim director of finance and performance

Darren Cattell joined the trust as interim director of finance and performance in January 2015. He is a Fellow of the Association of Chartered Certified Accountants and holds an MBA from the University of Birmingham.
He has a wealth of experience gained during more than 20 years in NHS finance and commercial roles, frequently operating at board level, most recently in his interim career at Heatherwood and Wexham Park Hospitals NHS Foundation Trust(2013 – January 2015), Cambridgeshire and Peterborough NHS Foundation Trust (2012-2013) and Mid Staffordshire NHS Foundation Trust (2010-2012).

Andrew Catto
Medical director, deputy chief executive

Dr Andrew Catto qualified from Leeds School of Medicine in 1989 with distinction in microbiology. Following house jobs in Leeds he was appointed to various academic posts culminating in a PhD in the genetic determinants of blood coagulation in stroke in 1999 and obtained the CCST in general and geriatric medicine in the same year.

He was appointed as an MRC Clinician Scientist and then as consultant in stroke medicine at Airedale NHS Foundation Trust in 2005. Following a series of clinical management roles at Airedale FT, he was appointed executive medical director at Heart of England and took on the role of interim chief executive for several months prior to the appointment of Andrew Foster.

Sam Foster, chief nurse

Sam Foster was appointed chief nurse in September 2014 having been acting chief nurse since September 2013. Prior to that she had been deputy chief nurse since 2009. In that post she delivered a key leadership role supporting the then chief nurse in professionally leading and enabling 5,500 nursing and midwifery staff to deliver a high standard of care. Prior to joining Heart of England, Sam was deputy chief nurse at the Shrewsbury and Telford Acute Trust.

She 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 Kings College London and developed an interest in ward level education of the critically ill adult before taking a number of posts in practice development.

Hazel Gunter, director of workforce and organisational development

Hazel Gunter has worked for nearly 30 years in healthcare for the public, private and charity sectors. She was appointed deputy HR director in 2007. She then became director of workforce and, in March 2015, joined the board in her current role.

Adrian Stokes, deputy chief executive and director of delivery

Adrian Stokes was a regional financial management trainee and qualified in 1997. He joined Heartlands Hospital upon qualification and, with the exception of two years at the Strategic Health Authority (SHA), has been here ever since.

He was formally appointed as finance director in July 2008 and director of delivery in June 2014.

Voting non-executive directors

Patrick Cadigan

Dr Patrick Cadigan has practiced as a cardiologist in the West Midlands since 1981. As part of his work for the Royal College of Physicians (RCP) 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 Staffs Hospital and is providing clinical advice to the trust's 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. Patrick joined the board in July 2013.

Andrew Edwards

Andrew Edwards started his career with West Midlands Regional Health Authority as a trainee engineer. He went on to complete a BEng Honours degree in environmental building services and became a chartered engineer and Fellow of the Institute of Healthcare Engineering & Estate Management.

His career has spanned the public and private sectors and included time with a number of engineering design consultancies. Most recently he was a director at the Couch Perry and Wilkes Partnership with responsibility for an engineering design business unit and general management. His key area of expertise is engineering design in healthcare.

Andy joined our board in October 2014.

Karen Kneller

Karen started her career with the Crown Prosecution Service (CPS), initially as a law clerk then as a prosecutor and finally as a senior policy adviser. She subsequently moved to the Criminal Cases Review Commission, first as director of casework before becoming chief executive and accountable officer in 2012. She sits part-time as a judge of the Social Entitlement Chamber.

She has a BA Honours in sociology, an LLB Honours in law, an MSc in criminal justice studies and is a practising barrister.

She joined the board in October 2014.

David Lock

David Lock QC was called to the Birmingham Bar in 1985 and became a QC in 2011. He was elected as a Member of Parliament and appointed to be a Minister at the Lord Chancellor's Department from 1999 to 2001.

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. He is a recognised specialist in healthcare law. David joined the board in July 2013 and served as the senior independent director during 2014-15.

Alison Lord

Alison Lord is a qualified accountant. She worked for KPMG for 12 years, latterly as a corporate restructuring director, and has run her own consultancy business since 2005 providing operational and financial restructuring advice to under-performing companies. She has held a number of non-executive and executive roles with health and social care providers, including three years as chief executive turning round a specialist provider of care and education to young people with autism, delivering both improved financial performance and 'outstanding' quality ratings. She has also worked with NHS Wales to provide strategic advice on restructuring under-performing health bodies. She is particularly interested in addressing health inequalities and improving access to healthcare for people with disabilities. She was a non-executive director at Birmingham and Solihull Mental Health Trust for six years prior to joining the board here in May 2013. She is chair of the audit committee and became deputy chair of the trust in June 2014.

Jammi Rao

Dr Jammi Rao 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, served for a term as trustee of the British Medical Association (BMA), 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. Jammi joined our board in July 2013.

Laura Serrant

Professor Serrant is a director of research and enterprise/ professor of community & public health nursing / associate dean (research and enterprise) at the School of Wellbeing at the University of Wolverhampton. She has worked at a very senior level in both nursing and teaching with particular emphasis on 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. She joined our board in April 2012.

This year she was named as one of the HSJ's Inspirational Women and she also received a Queen's Nurse Award for her work to raise the profile of community nursing.

Strategic Report

Strategy
Business model

This is an acute NHS foundation trust that provides a wide variety of healthcare services both from our own hospitals and clinics and in community settings. Funding for our services comes mainly from local clinical commissioning groups (CCGs) and NHS England.

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

Our services

Acute elderly
Acute medicine
Breast surgery
Breast surgery (oncoplastics)
Cardiology service
Cardiology snit (specialist arrhythmia service)
Critical care including intensive care
Critical care outreach and high dependency unit
Diabetes service
Ear nose and throat
Emergency service with full accident and emergency department
Endoscopy
Frail elderly
Gynaecology
Hollier centre for simulation and patient safety
Hyperacute and local acute stroke
Imaging including CT and MR scanning
Imaging including CT and MR scanning
Interventional radiology
Local acute stroke unit
Major emergency centre
Medical assessment unit
Mental health for in patients and acute attendances (raid)
Obstetric service and neonatal
Oncology
Oncology & haematology day case
Orthodontics
Paediatric
Paediatric assessment and short stay
Research and innovation centre (midru)
Rhuematology
Specialist cardiology, including intervention
Specialist dermatology
Specialist gastroenterology, including endoscopy
Specialist gynaecology
Specialist ophthalmology
Specialist orthopaedic
Specialist paediatrics
Specialist renal and dialysis
Specialist respiratory
Specialist thoracic
Specialist upper gi and bariatric
Specialist urology
Specialist vascular
Colorectal-rectal
Surgical assessment
Trauma assessment
Trauma unit including trauma
Urgent care

Anticipating change

During 2013-14 we announced our intention to make important changes to the way that we deliver our services – to address health inequalities in our communities and to meet the social, clinical and financial pressures that all NHS organisations now face.

We believe that our large, multi-site trust is better placed to respond proactively to these pressures than many other healthcare organisations: unlike many others, we have been able to invest consistently in our services. Our three hospitals will always be a central part of our operations but our strategy for the next five years is to become a fully integrated healthcare provider with modern, sustainable specialised services and extensive, high quality community and home-based care. Over the past year, we have made a start on transforming the way that we deliver our services.

We are:

- Talking to all our stakeholders so that we make changes that meet the needs of local people
- Creating a clearer role and identity for each of our hospitals
- Investing in out of hospital 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

and

- Shifting more resources towards our acute services

For example, the cardiology directorate is piloting a dedicated cardiac pathway team based at Heartlands Hospital. In place around the clock seven days a week, the team works with West Midlands Ambulance Service and the trust's emergency departments to ensure fast assessment of patients with cardiac chest pain and make sure that appropriate treatment starts promptly. We aim to introduce this as a permanent service at Heartlands, to explore a similar pathway at Good Hope Hospital and to review demand at Solihull.

At the same time we will soon start a detailed conversations with our communities on ambitious plans to alter the way our surgical services are configured. There is more information on the next page.

Driving change

Surgery reconfiguration

During 2014 our surgery reconfiguration team worked with stakeholders to develop practical proposals to change where (and how) we deliver some of our surgical services. The team is tasked with ensuring that surgical services are sustainable and can deliver enhanced patient experience and treatment outcomes. Discussions with our communities between October 2014 and February 2015 gave us positive feedback and support for the proposals. We are now working with our commissioners on the process of full public consultation in the latter part of 2015.

These proposals are designed to secure a dynamic future for surgery at all three of our hospitals while ensuring that we comply with increasingly stringent Royal College of Surgeons (RCS) guidelines and can respond appropriately to the increasing sub-specialisation within surgery.

The team has worked extensively with patients, the trust's workforce, GPs, commissioners, Healthwatch and regulatory bodies to develop plans to give each hospital a centre of surgical excellence. The proposals will deliver investment in facilities at all three sites to create better environments both for patients and for everyone who works there.

An independently chaired stakeholder reference group has co-designed the proposals with us. The members gave their time generously and their involvement helped us to remain patient-focused and gave valuable insights into the patients' perspective. By raising their concerns at an early stage they have enabled us to work up appropriate solutions and their 'de-jargonising' of our patient engagement booklet meant that it was easily understood by the 120,000-plus people who received it.

The surgery reconfiguration project team also went out into the community, presenting the proposals at events around our region to allow more people – including traditionally hard to reach groups - to participate and provide feedback. The public response was positive with 76% of respondents expressing support for the proposals as long as their concerns, which were mainly about how transport between the hospitals would be managed, were addressed satisfactorily.

Within the trust we ran Resolve and Plan (RAP) sessions at which people worked together across functions and locations to develop the operational detail and consider all interdependencies. The multi-disciplinary approach facilitated the creative thinking that is needed to address the challenges and complexities of this huge transformation programme.

What's next?

During 2015-16 the surgery reconfiguration project will focus on:

- Expanding the project team to support detailed implementation planning
- Close collaboration with commissioning partners at the CCGs to facilitate a period of formal public consultation
- Development of capital investment plans, including the design of a proposed new elective orthopaedic centre at Solihull, creation of additional orthopaedic operating theatre capability at Solihull and Heartlands, provision of a dedicated paediatric operating theatre and upgrade of surgical ward areas at Good Hope
- Securing a final decision from the trust board about how to proceed
- Staff consultation, recruitment and training
- Implementation of the solution agreed by all parties


Keeler

Patient and staff experience

Patient experience

Everyone who works at this trust is tasked with responsibility for ensuring that patients have a positive experience of their care in our hospitals and community settings. The patient services department co-ordinates our patient advice and liaison service (PALS) and the complaints function, and proactively measures feedback from patients. We also have an active membership and community engagement department running regular outreach meetings with members of our communities who might otherwise not have their say.

Providing enough emotional support for patients

This is the responsibility of all staff. For wards and clinical areas supervisory ward sisters, matrons and medical staff provide support and guidance. Specialist areas, such as heart failure, have clinical nurse specialists (CNSs) to support patients and also their carers along the pathway from diagnosis and prognosis to the end of treatment.

We have a trust-wide palliative care team to give emotional support to patients, carers and staff when a patient has a life-limiting condition, and clinical psychologists who provide emotional support for patients with particular conditions such as cystic fibrosis and cancer. Elderly care, dementia and safeguarding champions give emotional support to our vulnerable patients and their carers, while the acute health care facilitation team support patients with learning disabilities before, during and after their hospital episode.

We have implemented Schwartz rounds which focus on the emotional cost of caring and provide insight into emotionally challenging situations that staff encounter in the NHS.

Our multi-faith chaplaincy service is also a valuable source emotional and spiritual support for patients, carers and staff, offering a ‘listening ear’ and a presence for patients at times of need.

Assistance with eating meals

Dieticians undertake quality rounds every three months and assistance with eating is identified within these. Open visiting allows relatives/ carers to stay at mealtimes, to give practical help and encouragement to eat if they wish to.

Red trays are used on wards to identify patients who require assistance at meal times; adherence to this process is monitored through the essence of care audit.

The 'About Me' booklet for patients with dementia is being piloted in the trust. It identifies people's likes and dislikes and the ways in which they may require assistance e.g.' likes finger food', 'requires food to be cut up'.

'Eat, drink move' is a physiotherapy and dietician-led initiative to encourage patients to mobilise and eat / drink healthily.

Dining together has been introduced on several of the elderly care wards to encourage interaction and conversation and so create an environment and atmosphere that supports communal eating, enjoyment of food and better digestion. Visitors are welcome to remain with patients and provide further encouragement.

'Involved as much you wanted to be in decisions about your treatment'

Since December 2014 we have monitored this standard through our routine measurement of patient experience on each ward and we have received approximately 6,000 responses to this question since then. Our internal metrics show that patients have reported between 79% and 83% satisfaction in this area. A thematic analysis of narrative feedback is also undertaken to highlight areas of good practice and areas where improvements are required.

Our faculty of education provides training on communication and, in conjunction with corporate nursing, has worked with the National Council for Palliative Care on 'difficult conversations' equipping staff with the skills to have compassionate conversations with patients and carers. Following a successful bid to Health Education West Midlands (HEWM) the faculty of education and corporate nursing are running a carers project to involve carers in patient care, and we also host a carers forum to assist in engaging carers actively in decision making.

We are working collaboratively with the Marie Curie charity on a nursing staff rotation project to ensure that good practice is shared between both organisations including communication and care at end of life.

We are conducting a thorough review of complaints handling. When that is complete we will map out what is required to create a more responsive complaints service – looking at how we will handle them better when they happen and also at how to prevent them from escalating in the first place. There is more on detail on complaints in the Quality Account on page 119.

What's next?

We will continue to roll out our plans to obtain patient feedback across outpatient and day case departments and also in community services. The feedback will be gathered in addition t the established inpatient, maternity and accident and emergency department areas to give us a richer understanding of patient experience.

We have an exciting year ahead in looking at how we learn from the experiences of patients and the public.

Workforce

In the past 12 months the workforce directorate has implemented resourcing and retention initiatives to improve key frontline staffing establishments. We have also made progress with equality and diversity initiatives and achieved clear improvements that are evident in workforce reporting, assurance monitoring and mandatory training uptake. Staff engagement has improved and work continues to embed a staff-led culture of openness and honesty.

Staff in the directorate have worked hard on reviewing and improving services for the entire workforce and we have focused on delivering our agreed priorities for 2014-15.

Staff Friends & Family Test (FFT)

The Staff FFT is now well embedded alongside a range of other staff engagement initiatives. A staff engagement group has been created to work with trust leadership to improve the working environment and set aspirational values for the organisation and all staff over the coming months.

Planning and delivery of medical and nursing recruitment

We have succeeded in increasing the trust's medical and nursing establishments through improved resource planning, vacancy management and candidate attraction methodologies. Directorate staff are working with clinical and operational leaders to ensure robust and timely resourcing initiatives including role redesign, local, national and overseas candidate attraction and improvements in both staff induction and ongoing preceptor support.

Implementation of behaviour-based recruitment

We have engaged with clinical leaders, staff groups, patients and service users to identify the key behaviours expected of our consultants, and in October 2014 the trust went live with behaviour-based selection for consultant recruitment. Consultants recruited since then have undergone both technical competency assessment and a behavioural assessment. A review of the first six months of the new process will be competed in Q1 of 2015-16 with the aim of rolling out behaviour-based selection to all staff groups during the year.

Reducing staff turnover and sickness levels

We continuously engage with our staff to understand what we can do to improve staff retention and use the information to develop initiatives designed to address staff turnover in key frontline staff groups. Trust-wide, turnover in year has reduced by 0.51%.

Via our occupational health and wellbeing team we support staff to manage their health and wellbeing with a range of initiatives. Our team received national recognition this year from NHS Employers for achieving the most improved flu vaccination uptake result of any healthcare provider in the country: over 75% of our frontline staff were vaccinated compared with 37.9% last year.

Service review and improvement

We continuously review our service provision, delivery and policy management to ensure that we deliver robust, responsive solutions that support delivery of excellent care. We have supported the business in delivering new ways of working to include seven day working, cross-site working, service reconfiguration and new role design, helping to ensure that the organisation can respond to the changing landscape of the NHS.

We have further raised the profile of equality and diversity (E&D) through mandatory E&D awareness training and this has resulted in an improved staff survey response in respect of E&D training. We have also established a workforce development and welfare committee and an associated equality and diversity task group to take key priorities forward and, in partnership working with the Royal College of Nursing, we have appointed a number of cultural ambassadors within the trust.

We have taken innovative and proactive approaches to learning and development activities that support transformational change. For example, we have made a successful bid with Health Education England/ Skills for Health to pilot a dementia learning needs analysis tool. Our trust is the only pilot site from the Midlands. We are also working closely with ICT to develop an IT integrated dementia database for recording all elements of dementia awareness and educational activities.

What's next?

- **Implementation of a workforce and education strategy**

A new strategy for 2015-20 is set to launch in Q2 of 2015. It will outline the key priorities for the directorate to ensure that we recruit, develop, engage and care for our workforce with the aim of exceeding the expectations of patients and service users

- **Introduction and embedding of new values**

All leaders and staff will be expected to 'live and breathe' the core values of the organisation, which will be incorporated into our working practices and behaviours

- **Staff engagement and wellbeing**

We will take a structured approach to engagement and make continued use of staff-led groups to provide voice, openness and honesty in all we do, and we will set a robust wellbeing agenda to ensure that our staff are supported to remain fit and healthy

- **Workforce transformation**

We will continue with ongoing training and development of our workforce to ensure a 'future fit' workforce that can deliver excellence in care in the evolving NHS

- **Recruitment and retention**

We will continue to improve the ways in which we attract and retain our staff, ensuring that trust values and associated behaviours inform decision-making and are embedded from the commencement of a career within our trust

- **Ongoing service review and improvement**

We are continuously reviewing the service provision of the directorate so we can be sure that it supports the evolving priorities of the organisation and supports the entire workforce in delivering excellence in care

Gender breakdown

At the end of March 2015 the gender split for our workforce (excluding interim posts) was:

	Female	Male
Directors	4	4
Senior managers	224	115
Employees	8,068	1,942

Heart of England

National Staff Survey 2014 – results

Agree | Disagree | Ranking against other Acute Trusts | Compared to 2013 | * Lower score is better

During Oct - Dec 2014, 3850 of you took part in the annual National Staff Survey.
Our results are broadly similar to those from the 2013 survey, but we continue to provide a poor staff experience ranking 128th out of 138 Acute Trusts.

Staff Pledge 1 To provide all staff with clear roles, responsibilites and rewarding jobs

	Agree	Disagree	Ranking against other Acute Trusts	Compared to 2013
1. Feel satisfied with quality of work and patient care able to deliver	76%	24%	Below Average	No Change
2. Agree role makes a difference to patients	89%	11%	Below Average	No Change
3. Work pressure felt *	62%	38%	Average	No Change
4. Effective team working	72%	28%	Bottom 20%	No Change
5. Working extra hours *	69% YES	31% NO	Below Average	No Change

Staff Pledge 2 To provide all staff with personal development, access to appropriate education and training for their jobs, and line management support to enable them to fulfil their potential

	Agree	Disagree	Ranking against other Acute Trusts	Compared to 2013
6. Receive training, L&D	77%	23%	Bottom 20%	No Change
7. Appraised in last 12 months	83%	17%	Below Average	No Change
8. Well structured appraisal	33%	67%	Below Average	No Change
9. Support from line manager	72%	28%	Below Average	No Change

Staff Pledge 3 To provide support and opportunities for staff to maintain their health, well-being and safety.

	Agree	Disagree	Ranking against other Acute Trusts	Compared to 2013
10. Received H&S training	72%	28%	Below Average	**Improved**
11. Suffered work-related stress *	40% YES	60% NO	Below Average	No Change
12. Witnessed potentially harmful error, near miss, incident*	32% YES	68% NO	Below Average	No Change
13. Reported error, near miss of incident	89%	11%	Below Average	No Change
14. Fairness & Effectiveness of incident reporting procedures	68%	32%	Below Average	No Change
15. Agree would feel secure raising concerns about unsafe clinical practice	61%	39%	Bottom 20%	**new**
16. Experienced physical violence from patients/ public *	15% YES	85% NO	Average	No Change
17. Experienced physical violence from staff *	3% YES	97% NO	Average	No Change
18. Experienced harassment, bullying, abuse from patients/public *	30% YES	70% NO	Below Average	No Change
19. Experienced harassment, bullying, abuse from staff *	25% YES	75% NO	Below Average	No Change
20. Felt pressure to attend work when unwell *	29% YES	71% NO	Below Average	No Change

Staff Pledge 4 To engage staff in decisions that affect them, the services they provide and empower them to put forward ways to deliver better and safer services

	Agree	Disagree	Ranking against other Acute Trusts	Compared to 2013
21. Report good communications between senior management & staff	23%	77%	Bottom 20%	No Change
22. Able to contribute towards improvements	66%	34%	Bottom 20%	No Change

Staff Satisfaction

	Agree	Disagree	Ranking against other Acute Trusts	Compared to 2013
23. Job Satistaction	78%	22%	Bottom 20%	No Change
24. Recommend as place to work or receive treatment	66%	34%	Bottom 20%	**Worse**
25. Motivation at work	74%	26%	Bottom 20%	No Change

Equality & Diversity

	Agree	Disagree	Ranking against other Acute Trusts	Compared to 2013
26. E&D training	80%	20%	Top 20%	**Improved**
27. Believe provides equal opps for career progression	83%	17%	Bottom 20%	No Change
28. Experienced discrimination	14% YES	86% NO	Below Average	No Change

Patient Feedback

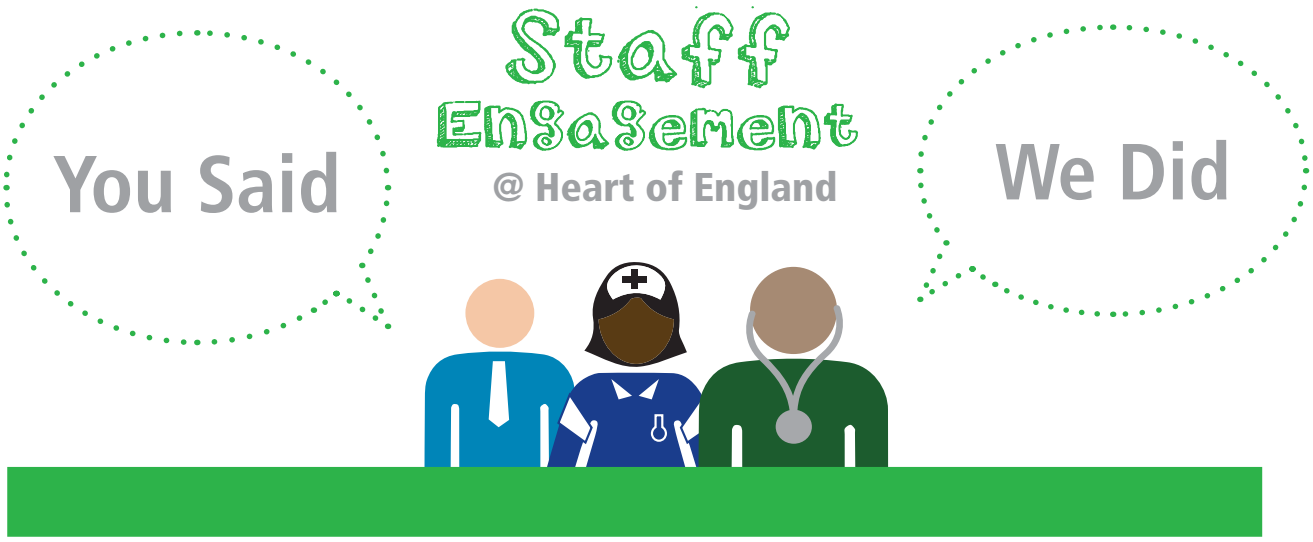
	Agree	Disagree	Ranking against other Acute Trusts	Compared to 2013
29. Agree patient feedback is used in your department	43%	57%	Bottom 20%	**new**

Staff engagement

During 2014-15, we aimed to improve levels of engagement by providing more regular feedback channels, and also to be more open and transparent in how we respond to the feedback received.

Running census surveys for both the newly introduced Staff Friends and Family Test (FFT) and the National Staff Survey we have seen response rates increase, and we have used groups led by members of the workforce to improve openness.

During Q1 we successfully implemented the first Staff FFT to a full census. Our own staff engagement group analysed the results and comments received from their peers and produced an open and honest infographic that summarises key themes.



During a series of drop-in events throughout Q3 / Q4 members of the organisational development team appeared in busy corridors, hallways and cafeteria queues to ask for opinions on key matters. People working across the trust told us they want a strong focus on improving how we behave with each other, at all levels.

Since then more than 900 staff have taken part in the drop-ins, describing the behaviours they expect to see, and helping us to create a set of potential trust values.

We drilled deeper in Q4, giving all staff the opportunity to have their say in the development of the values through a special edition Staff FFT. The results from this are enabling us to finalise the trust values and expected behaviours, ready for a launch early in 2015-16.

It is clear that the trust currently provides an inconsistent experience for staff. In some areas positive engagement is strong, but there are still too many areas where morale is low. These results can be seen in both our Staff FFT and the National Staff Survey (NSS).

What's next?

Staff engagement is one of the top priorities of the trust's new CEO, Andrew Foster, and in 2015-16 our focus will be on improving staff engagement across our entire workforce. We will:

- Hold large-scale engagement events, led by senior executives, to listen to staff feedback and ideas
- Take a structured approach to engagement, monitoring and holding to account on implementing the ideas from the events
- Use regular engagement diagnostics to evidence improvements, and determine what is working well
- Introduce a new 'Engaging Teams' programme, modelled on and supported by the successful Wrightington, Wigan and Leigh approach
- Introduce our new, staff-generated values, and incorporate these into our working practices and behaviours
- Continue to use staff-led groups to provide voice, openness and honesty to all we do

We monitor and benchmark engagement levels via the annual National Staff Survey, and through a quarterly staff engagement survey which incorporates the Staff Friends & Family Test.

Equality and diversity

According to the Office for National Statistics' 2011 census, around 42% of the population of Birmingham has an ethnic minority background. That blanket statistic hides a very diverse story, and a very rich mix of religious beliefs, cultural practices and spoken languages. And in line with our corporate values our aim is to treat each patient, their carers, visitors and staff in an appropriately 'safe and caring' way at all times, to remain 'locally engaged' and 'innovative' and to become more 'efficient'. We want to be the healthcare provider of choice, delivering high quality services that are accessible, appropriate and of a high standard, for all local people.

The equality and diversity department actively promotes equality and human rights and it also supports staff and services to eliminate discrimination across all nine protected characteristics in patient care and in workforce areas:

- Age
- Gender
- Disability
- Race
- Religion/belief
- Sexual orientation
- Pregnancy/maternity
- Gender re-assignment
- Marriage and civil partnership

We continue to engage patients, carers, staff and external stakeholders to embed the equality, diversity and human rights agenda across the trust in a way that will drive improvements in health and employment outcomes.

A review of equality and diversity against the NHS's Equality Delivery System (EDS) assessment tool has been undertaken to improve and streamline our EDS/CQC action plan in line with the EDS2 framework, which is an improved and streamlined standard. We expect the trust to be assessed against this new standard during the coming year.

During 2014-15 the equality and diversity department has continued to embed equality and diversity into the everyday functions of the trust by taking a human rights-based approach.

> **"We want to be the healthcare provider of choice"**

Learning Disability (LD)

We have worked collaboratively with stakeholders on improving services for patients with learning disabilities and for their carers. We have:

- Implemented mechanisms to identify and flag up patients with learning disabilities, prompting staff to check for a patient passport and to make reasonable adjustments
- Developed and implemented protocols and flexible care pathways to help us meet the healthcare needs of patients with learning disabilities
- Co-designed comprehensive patient and carer information with people with learning disabilities and with representatives of local advocacy organisations
- Produced information for families and carers to ensure that they are aware of disability legislation and carers' rights
- Delivered ongoing learning disability awareness training for HCPs in keeping with relevant equality and human rights legislation
- Recruited people with learning disabilities and their families/carers to work with the trust's LD steering group and participate in other relevant forums
- Undertaken audits to seek the views and interests of people with learning disabilities and their families and carers

Reached a service level agreement with Coventry & Warwickshire Partnership NHS Trust for the provision of a learning disability acute liaison service by the specialist LD health facilitation nurse team including appointment of jointly funded band 6 LD nurses.

Equality and diversity training

The equality and diversity team has delivered comprehensive, mandatory equality and diversity training to support staff in gaining appropriate knowledge, skills and competencies to provide fair and inclusive services to patients, visitors and stakeholders. Our portfolio of services includes:

- Mandatory equality and diversity training online (Moodle)
- Equality impact assessment
- Disability equality
- Learning disabilities awareness
- Safeguarding
- Human rights
- Deaf/deafblind communication awareness
- Customised equality and diversity sessions

Equality impact analysis

All trust policies and services are subjected to a rigorous equality impact analysis to make sure that they have no potential for adverse impact due to disability or any other protected characteristic as described in the Equality Act 2010. Our aim is to respond rapidly to issues raised and to make sure that our policies, services and functions are more accessible and responsive to the needs of all the communities we serve.

Interpreting services

This year we have enhanced the abilities of trust staff to communicate effectively with all our stakeholders by introducing standardised interpreting and translation services across the trust.


About Me:
Consultant:
Speech and Language:
OT Assessments:
Physiotherapy:
Current Mobility:
Current Transfers:
Suitable Chair:
Other Details:

End of life care

Working in partnership with several stakeholder groups we have initiated a number of projects to improve care for patients whose lives are drawing to a close.

DVD – 'I didn't know that'

Working with the National Council for Palliative Care (NCPC) and local community organisations including Birmingham Central Mosque and the Birmingham Muslim Burial Committee, we have helped to produce a DVD called 'I didn't know that'. It is a training and education tool to enhance knowledge and build better, more compassionate relationships with local communities. It highlights ten key points about the end of life needs and traditions of the Muslim community, for healthcare professionals and community advocates.

It has been well received and is now promoted nationally on the Dying Matters website to help other healthcare providers to tailor good quality, sensitive and appropriate end of life care to the needs of their Muslim communities.

Pan-Birmingham Faith Advocacy Group

We are working with a multi-faith group involving Birmingham NHS acute trusts, local communities, the HM Coroner and the Registry Office. The group, which is managed by trust personnel, meets every two to three months, bringing together key stakeholders to form a cooperative through which to explore existing and new ways of improving practice.

Bereavement services

Within bereavement services we have implemented a rapid release procedure that allows the mortal remains of deceased patients to be released from hospital within a timeframe that meets the religious and cultural requirements of their families and friends.

All families are offered a follow-up support service, offered through partnership working with local external bereavement counselling organisations. Our Islamic communities have welcomed this service.

Multi-faith chaplaincy services

Our multi-faith chaplaincy services continue to provide religious, spiritual and pastoral care to patients, visitors and members of the workforce on a 24/7 basis across each of our three hospital sites.

The chaplaincy team provides:

- routine ward visits
- religious services
- support for patients and relatives during illness and at the end of life

In addition, in conjunction with other departments, the chaplains organise annual staff memorial services and other trust services. Chaplaincy volunteers from various religious backgrounds assist and make a valuable contribution to the spiritual aspects of patient care.

Challenges

Implementing the trust's equality strategy and EDS2/CQC action plan framework across such a large organisation as Heart of England NHS Foundation Trust is a major task that brings many practical challenges. But we remain committed to ensuring that our patients, staff and stakeholders are fully engaged in the planning, development and implementation processes, to ensure that the services provided by the trust meet the needs of all our patients and staff.

What's next?

We have identified five key strategic actions to improve and streamline the EDS/CQC action plan. We will:

- Establish a task group to oversee overall development and delivery of improvements
- Improve collection and usage of equality data so that we can profile patients more accurately and support wider analysis of our workforce
- Revise the equality impact process, making it more robust and embedding equality and diversity into policy and practices
- Review learning and education provision on equality topics to bring about improvements in patient and staff experience
- Work closely with the staff engagement group on strategies to end discrimination, bullying and harrassment

Heart of England Charity

The Heart of England NHS Foundation Trust Charity is proud to support the staff, patients, families and carers at our local hospitals and in the community.

We focus on raising money where it is needed most – in areas not covered or fully supported by NHS funds. The charity provides funding in many different areas including research, equipment purchases, facilities and training. Since our beginnings in 1996, everything we do is for the sole benefit of our patients.

This year we have been building on the charity's fundraising capacity and developing a strong market brand. The charity was delighted to be able to give almost £1.5m of charitable support to the trust for the benefit of patients.

The highlights of the year have been:

- Our communities have again provided us with a huge amount of support organising their own events and joining in with events we have arranged such as overseas treks, pub raffles and tombola and selling merchandise
- The fundraising team have coordinated a number of events for trust staff participation including sponsored walks
- A number of high profile corporate donors have agreed to support the charity, including being nominated as charity of the year within organisations
- A number of successful applications to charitable trusts and foundations has resulted in benefits for the children's units

More details about the activities of the charity can be found in the Charity's own Annual Report and Accounts.

Clinical Services

Emergency medicine

All three of our site emergency departments (EDs) have experienced an extremely challenging year, with unprecedented patient numbers being seen throughout the period. Members of the emergency teams have worked consistently hard to meet the challenge and are now implementing a series of initiatives to develop the service further to meet the growing needs of our communities.

In April 2014 Dr Ola Erinfolami was appointed clinical director and he has implemented a number of changes designed to help the EDs cope with some very challenging conditions.

Improving ambulance hand over

One of the biggest challenges for the Heartlands site has been the handover of ambulance arrivals. Too often in the past patients have waited over an hour following their arrival in the department. In 2014 we implemented the ambulance handover officer (AHO) service. Providing 20 hours' cover, seven days a week, these embedded West Midlands Ambulance Service (WMAS) paramedics provide a 'meet and greet' service for arriving ambulance crews. With the support of ED nurses, they enable the crews to hand patients over to the department much more quickly, making the service safer and much more efficient. The number of patients waiting between 30 minutes and one hour to be handed over has been reduced dramatically as a result.

GP in ED service

Our GP in ED service was fully introduced in April 2014 at Heartlands. In the past 12 months 25% of attendances have been streamed through the service and only one patient waited more than four hours. This award-winning model has now been piloted at Good Hope and we have early plans to roll the service out further.

Escalation plans

Dr Dorrian and Dr David Raven have developed the new trust escalation plan. Incorporating existing ED processes, expanded to reflect the wider site and trust management structures, this new standardised escalation approach has made the communication of pressures, and the expected response to them, much clearer. With a wide variety of roles and services brought into play depending on the escalation level this initiative has made patient care and management safer at times of extreme pressure.

Enhanced bank rates

Until this past year, we have experienced problems in acquiring enough nurses to cover shifts across the directorate. The trust has responded by allowing an enhanced bank rate (subject to further review) which has reduced our reliance on agencies and has resulted in shift nursing numbers being consistently at (or near) the required levels throughout the year. This has significantly improved the safety of patient care within the EDs and the wider trust.

However, we are still facing significant challenges in recruiting and retaining both nurses and middle grade doctors. The **Advanced Clinical Practitioner (ACP)** training programme has begun and we have over-recruited trained nurses to compensate for turnover levels. A number of recruitment drives have also taken place to increase our substantive middle grade numbers to near our budgeted levels. However, we continue to carry around 50% vacancies, which means this particular challenge will continue into the foreseeable future.

In February 2015, we were successful in recruiting to five consultant level positions to increase our establishment at the most senior clinical level. This is a positive development that will enable us to provide better services for longer in each 24 hour period, seven days a week.

What's next?

The board of directors is considering a proposal for a new-build emergency centre. Although this would have the greatest direct impact on the Heartlands site where it would replace the existing small and poorly laid-out department, it would also give us the opportunity and resources to address other issues such as surgical reconfiguration right across the trust.

Recently we have begun working on an interim solution to help us increase capacity within the Heartlands ED. By moving the existing minors service, along with other ambulant services into the fracture clinic next door, we will be able to create some more space which will allow better, more streamlined patient care. We hope to have made this interim step before next winter.

Working with partner organisations, we have also begun a process redesign project. Predicated on the potential for point of care testing to help improve the timeliness of clinical decision-making this project will also help us remove unnecessary steps in the patient journey through the emergency care pathway.

To address the ongoing recruitment problems for middle grade doctors we have developed a new type of training programme leading to the award of the Certificate of Eligibility for Specialist Registration (CESR), of the kind that has proved successful in other large acute trusts. By offering guaranteed placements in critical care and acute medicine, the programme offers trainees the opportunity to gain broader based clinical training in a large city acute hospital setting. We are also reviewing the medical rotas to try and make them simpler to manage, so that rota teams can spend more time planning for the future and less time backfilling empty slots.

We are planning a major review of the service we currently provide for patients with a mental health diagnosis. Working with colleagues from Birmingham and Solihull Mental Health NHS Trust we aim to reduce the length of time these patients spend in each department.

We rely heavily on information technology for support and we are planning to review our major IT system and to see whether we should consider an alternative. Our decision will inevitably be based in some part on cost, but we also want to explore the potential that alternative systems will provide in delivering more efficient clerking (for example, through paperless patient records).

Stroke service

During 2014-15, stroke services have been transformed through the implementation of a trust-wide stroke reconfiguration, our response to the 2012 review of stroke services across the Midlands and East of England. Hyper-acute stroke care, including thrombolysis, is now centralised at Heartlands Hospital. Once the hyper-acute treatment phase is over patients are returned to their local hospital if further medical management is required. The aim is to achieve significantly enhanced hyper-acute stroke care that leads to improved outcomes for patients.

Reason for change

The review of stroke provision recommended that hyper-acute stroke services should be provided by services seeing at least 600 stroke patient admissions each year, supported by a seven days per week specialist stroke workforce. The general direction of travel is to have fewer units providing hyper-acute stroke care and a very detailed service specification has been published. The level of resource requirements it contains makes it very difficult for smaller units to meet the standards.

The regional modelling only includes one hyper-acute stroke unit (HASU) within Heart of England NHS Foundation Trust and, following an internal review of stroke service provision, we agreed to reconfigure our services to provide one HASU at Heartlands Hospital and an acute stroke unit (ASU) at Heartlands, Solihull and Good Hope Hospitals.

In preparation for the change we polled service users prior and found unanimous support for a single site hyper acute stroke unit model because of the proven link to improved outcomes. This was however conditional on timely repatriation to local hospitals at 48-72 hours, to balance clinical benefits with convenience for patients and their visitors.

The stroke reconfiguration was achieved with an investment of over £1.5m in refurbishment and building works, new equipment, patient transport and the recruitment of a significant number of specialist medical, nursing and therapeutic staff.

New Hyper-acute stroke unit (HASU)

The new HASU at Heartlands opened in October 2014 with four high dependency beds within a 16-bed unit. It enables the close monitoring of all stroke patients especially those who receive thrombolysis and it has improved safety and the quality of care in the hyper-acute phase.

Hyper-acute stroke services transferred from Solihull to Heartlands Hospital in November 2014 and a new ASU opened at Heartlands in January 2015. This unit is now co-located with HASU to provide a smooth and efficient patient pathway. Hyper-acute stroke services transferred from Good Hope to Heartlands in February 2015. Initially there were concerns about the ability to repatriate patients back to local sites with the majority of patients taking over three days to return to local sites. As a service we have strengthened ties between the sites and now have repatriation figures that show 80% of patients return to local sites within 48 hours of being deemed stable to travel.

Staffing changes

The stroke nurse practitioner (SNP) team at Heartlands has been strengthened so that we can respond within five minutes of being alerted to a new stroke patient 24/7. Earlier specialist intervention has increased the number of patients eligible for thrombolysis. It ensures rapid assessment and a consistently high standard of care: at Heartlands the average time to CT brain scan has been reduced

from 1h 34 minutes to 31 minutes and the door to needle time (DTN) for thrombolysis has been reduced from 1h 37 minutes to 33 minutes.

The stroke consultant team has been enhanced and working patterns have been altered to allow seven day consultant ward rounds. There is a consultant of the week for consistency of management and a 24/7 consultant-led service. This has enabled efficiencies in length of stay, time taken to be seen by a consultant, thrombolysis rates and admission avoidance through same day and next day reviews in a transient ischaemic attack (TIA) clinic.

A new initiative rapid access TIA clinic has been very successful in preventing admissions by allowing patients to be comprehensively assessed and treated on the same or following day. This timely intervention is vital in the management of all TIA patients and will significantly reduce the number of patients who go on to suffer a stroke.

Telemedicine has been developed within the stroke service which will bring great benefits to patients by allowing the stroke nurse and consultant on call to interact more effectively.

What's next?

We hope to create a stroke directorate within the trust to allow for a more co-ordinated approach to stroke care trust-wide to:

- Improve flow of stroke patients through the ED so they can be admitted to the HASU quicker
- Assess the feasibility of developing an interventional stroke service based at Heartlands
- Improve clinical psychology provision for stroke patients
- Develop the SNP team further through access to the advanced care practitioner(ACP) programme, to further streamline the service and allow the SNP to manage patients more autonomously
- Evaluate the preliminary outcomes of the stroke reconfiguration, including patient experience

Improving clinical pathways

Over the past year we have renewed our focus on improving clinical pathways to get patients assessed more rapidly with more senior doctors and to plan and start their treatment more quickly to improve both experience and outcomes. Care is our overriding priority but there are also urgent strategic drivers. Here, we report on some examples:

ACP programme

Our current locum and trainee dependent service is costly and fails to deliver a consistently agile and responsive service. It is a high cost system with poor resilience and it has to 'relearn' itself every time a locum works and every four months to coincide with trainee handover. And we know that the availability of medical trainees and locums will reduce significantly in future.

So we are thinking differently - less about doctors and more about clinician teams. There is no ideal single solution to the re-organisation of blended clinician teams but one of our solutions is to maximise the significant potential and contribution of every health professional within the organisation.

For the last decade we have been developing the advanced clinical practitioner (ACP) role and we have a number of practising ACPs in the emergency departments. We are running a pilot scheme across the trust for an additional 20 ACPs with a view to rolling this out more widely as part of our workforce strategy.

An ACP is an experienced senior non-medical clinician who possesses the knowledge and skill to assess, treat and manage patients across the age and acuity spectrum - from those attending with minor problems through to those experiencing major life-threatening injuries and illnesses - within a multi-disciplinary consultant-led team. An ACP will possess a clinical masters degree and will be a non-medical prescriber able to work at senior clinician level, just like a senior doctor. They improve quality, reduce variability and make fewer mistakes than the traditional transient medical workforce that consists of locums, trainees and a smaller proportion of permanent staff. We have evidence for this from repeated audits and a large-scale research study carried out during development of the ACP role in our emergency directorate (ED) and more latterly within acute medicine (AM). The ED would be in a significantly worse situation without its investment in ACPs and we have largely avoided the problems that are commonplace in other trusts such as systems that have poor resilience, and performance in EDs that relies on locums and a high cost transient workforce.

How will we evaluate the programme?

The Royal College of Physicians (RCP) will evaluate the programme at key points to ensure that key deliverables are achieved.

Ambulatory Emergency Care (AEC)

Working as part of the National Ambulatory Emergency Care Delivery Network our AEC continues to drive down the numbers of emergency patients requiring admission to a bed and, for the past two years, has delivered a complaint-free service.

The AEC mantra is 'Listen, act, deliver'. Numbers of admissions continue to drop as we refine our AEC processes and team members grow in confidence that they are empowered to be courageous and inventive in the best interests of their patients; Stuart Casson, AEC charge nurse defines this mindset as a 'greenhouse mentality not a warehouse mentality'.

Effective leadership is key to the future development of the service and a system of formal and informal conversations is fostering a sense of ownership and helping to decide future direction. Patient feedback is used to understand what we could do better.

We had

Admitted around

86,000 patients through our A&E departments

more than

70,000 emergency ambulances arrive at our front door

Governance

The care of breast patients - the Ian Kennedy review

At the start of 2013 we commissioned Professor Sir Ian Kennedy to head an independent review into the trust's handling of issues that arose from the surgical and behavioural practices of a consultant breast surgeon who operated on patients for a number of years at Solihull and Good Hope Hospitals. His patients asked for information on what we did, when and why – and we decided that only a thorough, independent review would expose all the relevant actions and motivations to proper scrutiny. We wanted to learn how we could have managed the situation better and to make all necessary improvements to ensure the future safety of patients.

Sir Ian made a series of recommendations at the end of 2013, which we crystallised into several key workstreams for immediate action:

- **Improving patient information and the patient environment**
- **Strengthening the whistle-blowing policy**
- **Further development of a patient-centred approach**
- **Reviewing the terms of reference and working arrangements for the board's quality and risk committee**
- **Improving our consent process**
- **Review of trust disciplinary procedures**
- **Implementation of values-based consultant recruitment**

Reducing avoidable mortality - The Silverman review

In summer 2014 Dr Andrew Catto instigated the Silverman review following concerns about the trust's elevated mortality indicators hospital standardised mortality ratio (HSMR) and summary hospital-level mortality indicator (SHMI) from early 2013.

The review found that:
The board of Heart of England NHS Foundation Trust received only partial assurance in regard to mortality as reports were based largely on information derived from coding data, and the board was uninformed about the potential shortfalls in care that might be revealed through structured review of all deaths.

Reducing avoidable mortality is a considerable challenge and to ensure that we develop and maintain focus on this important aspect of patient care, mortality reduction was identified as one of the six themes in the Trust Integrated Improvement Plan.

The key objectives of the mortality programme are:

The development of a Trust-wide policy that all deaths will be reviewed with the intent of looking for suboptimal clinical care rather than to determine whether or not the death was avoidable or inevitable. The outputs of these reviews will be fed to the mortality and morbidity performance group for triangulation across specialities and with the outcomes of reviews of incident reports, patient experience, complaints and other data sources.

Messaging hospital mortality regularly to all staff so that they are aware of the situation and know what they can do to improve matters.

Reviewing the incident reporting system in order to encourage incident reporting and make best use of the reports including near misses to improve safety

Recognising that there is no 'magic bullet' approach to improving patient flow and congestion in ED, it is best to focus on the impact of accumulation of marginal differences. These include better working between the ED and the specialities to get specialists as close to the front door as possible, increasing the range and scope of ambulatory emergency clinics and making their operational policies explicit.

Other disclosures

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.

Discussions

The trust has been carrying out an extensive public engagement exercise on a proposed programme of surgical reconfiguration.

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.

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.

Finance review

In 2014/15 the trust has reported a deficit of £5.6m. The trust had planned for a £2m surplus but, part way through the year, it decided to invest in additional capacity to help deliver care to the increasing number of patients who were requiring care and services. This additional capacity was a combination of ward staffing, additional clinics and theatre sessions and private sector support where the capacity was not available in the trust. In addition, the trust has incurred costs in the second half of the year in putting improvements in place that were identified in the Deloitte governance review. This deficit reflects the challenging environment the trust is working in, trying to balance the requirements to deliver efficiencies with the continual pressure of cost increases, high quality of care expectations and increases in complexity and demand from patients.

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 2015 and appropriate to NHS Foundation Trusts. There have been no significant amendments to the accounting standards in 2014-15 and HM Treasury requirements so the trust accounting policies remain largely unchanged. The trust results are consolidated with the charity results to deliver a consolidated deficit of £6.0m.

Income

There was a marginal (2%) growth in the trust's total income to £647m. 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 (NHS) in England. The revenue generated from NHS clinical activity is £568m, of which only £0.9m is derived in NHS Wales, Scotland and Northern Ireland. Therefore revenue from NHS in England at 89% of total income is significantly ahead of the minimum 50% requirement. The majority of this income comes from the third year of a jointly managed risk agreement (JMRA) negotiated with the local CCGs. This is part of an ongoing plan to work more collaboratively with the CCGs and other parts of the health economy that gives greater financial security for the year to the organisations involved. It means that 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 (£22m) 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 (£4m) 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 trust's total expenditure in the year was £652m. As in previous years, staff costs are the largest component of expenditure, accounting for 64% of operating expenses.

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 service improvement and efficiency plan (SIEP) Board and Finance and Performance Committee. The programme is a combination of schemes identified by divisions and trust-wide initiatives. In the year £16m of savings were delivered, 68% of target.

The trust has not made any political donations in the year.

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 2014/15 year the trust incurred £21m of capital expenditure including £5m on site strategy projects such as a new hybrid theatre, a dermatology department and energy sustainability, £5m on IT infrastructure, £5m on equipment in clinical areas and £4m on estates improvements. The trust also received a £1m grant at the end of the year to purchase nursing technology equipment.

The trust continues to have a healthy cash balance at £88m at 31 March 2015. 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. The trust does not have a working capital facility.

The trust has adopted 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% of all invoices received by the trust. The trust's standard payment terms are 30 days after receipt of a valid invoice. The target of 95% was hit for the first six months of the year but, in the second half of the year, performance dipped as the upgrade to Oracle R12 has caused a number of system problems that delayed payment of invoices.

Charity consolidation

From 2013-14 year HM Treasury has removed the exception for consolidating charities associated with foundation trusts, so in the accounts the results of the trust have been consolidated with the results of The Heart of England NHS Foundation Trust Charity ('the charity').

The charity has an income of £1.5m and expenditure of £1.9m for 2014/15 and has generated a loss of £0.3m before gains on investments of £0.5m, reporting a net surplus of £0.1m. The details of the charity are on page 36, 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 notes 2.1-2.3 of the financial statements.

Future plans

The trust is planning to continue its investment in resources to deliver quality care, which means that a deficit is planned for the 2015-16 year. It is anticipated that in this year a recovery will be made which will reduce this deficit in future years.

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.

Monitor's Risk Ratings

Overview

Monitor measures the level of risk at the trust using the financial and governance frameworks as set out in the Risk Assessment Framework. As part of the Annual Plan submission early in the financial year the trust declares the levels it expects to reach. The trust makes a submission to Monitor at the end of every quarter 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.

Prior to October 2013 Monitor used the Compliance Framework to assess the trust.

Explanation of Risk Ratings

Continuity of Services Rating (COSR)

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. The best score under COSR is four.

Governance Risk Rating

In the Risk Assessment Framework the governance rating considers whether there is a potential breach of the governance condition in the licence. 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 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 www.gov.uk/government/publications/risk-assessment-framework-raf

Trust performance

The table below 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.

2014 - 2015 performance

	Annual Plan 2014/15	Quarter 1 2014/15	Quarter 2 2014/15	Quarter 3 2014/15	Quarter 4 2014/15
Continuity of Services rating	3	4	4	4	4
Governance Rating	Red	Red	Red	Red	Red

2013 - 2014 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

Financial Risk Rating

When the Annual Plan was set in May 2014 it was expected that a COSR level three would be achieved. Because 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 has scored overall four throughout the year.

Governance Risk Rating

The trust signed the first Section 106 undertaking in December 2013 and at the beginning of the 2014/15 year was implementing the agreed plans to deliver against the A&E four hour target and was rated red in relation to governance. At this point the trust anticipated that it would meet all other targets.

At the end quarter one of 2014 the trust remained red rated because it had not achieved the A&E target for more than three successive quarters, as well as not achieving the Referral to Treatment (RTT) (admitted) target, two-week wait (all cancers) target, the two-week wait (breast) target and the 62 day wait target. For the remainder of the year the trust also failed to achieve these targets. These persistent target breaches are viewed by Monitor as a failure of governance arrangements.

As a result, in October 2014 the December 2013 section 106 undertaking was updated to reflect the latest plans to improve performance against the A&E four hour target. A new section 106 undertaking was agreed that recorded, amongst other things, the actions intended to address the RTT, and all cancer wait time targets. Earlier in the year the trust had commissioned Deloitte LLP to carry out a governance review and as part of the new undertaking it was agreed that the trust would share with Monitor the findings of this review and the resulting actions plans.

The trust also agreed to share the findings of the Silverman mortality review (see page 44) and any resulting action plans. The trust also committed to continue to implement the recommended actions

arising from the Kennedy review (see page 43). We also committed to continue to implement the plans to address the issues raised by the CQC's inspection in November 2013.

The trust's licence was varied pursuant to section 111, this required that the trust ensures it has in place stronger leadership capacity and capability and governance systems and processes to enable it to comply with the conditions of its licence. The trust has ongoing monthly reviews with Monitor where additional information on performance actions plans and trajectories is discussed. The trust is currently working on an integrated improvement programme (IIP) which will bring together a number of workstreams to deliver improved performance against these standards. More information on the integrated improvement plan can be found on page 60 of the report.

Research

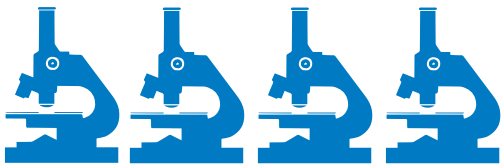
Research continues to be an important focus for our trust. We give it a high priority because research active institutions are better able to improve their standards of care and the outcomes of the treatments they provide.

According to The Guardian's trust research activity league tables our trust is a major contributor to clinical trials activity in the West Midlands and, on a rolling mean of the last three years' performance, Heart of England NHS Foundation Trust was the region's lead performer for hospital research, ahead of University Hospitals Birmingham and University Hospitals Coventry and Warwickshire.

More than 400 research projects are in progress, at various stages of maturity from active recruitment of participants to long-term follow-up. There are 26 departments currently taking part in research with between one and six research active consultants in each of these areas. That is a slight increase on 2013-14, due in part to the recruitment of new NHS consultant fellows.

We recruited 5,729 patients in 2014-15, about 1,000 fewer than the 6,448 recruited in the previous year, although that record figure was accounted for by a particularly high recruiting study. Clinical trials remain our largest research activity in terms of project numbers. We have a mixed portfolio of commercial studies and academic studies, most of which are adopted by the National Institute for Health Research (NIHR) portfolio. Non-portfolio work comprises commercial clinical trials, student-based research or pilot studies for future grant proposals.

More than
400 research
projects are in progress



Case study

Researchers based at Heartlands Hospital are leading the way in identifying the best treatments for patients affected by problems with the veins in their legs.

The research team, led by Professor Andrew Bradbury, consultant in vascular surgery, is running two new National Institute for Health Research (NIHR) Health Technology Assessment (HTA) funded research projects in collaboration with hospitals across the UK.

In the first - the £2million Bypass versus Angioplasty in Severe Ischaemia of the Leg (BASIL)-2 project - the research team will run trials to compare whether vein bypass surgery or stenting is the best way to treat severe narrowing and blockage of the arteries in the leg. Ultimately, this will help to prevent future amputations and even deaths as a result of improved treatment of these blockages.

The second - the £1.5 million NIHR HTA funded Early Venous Reflux Ablation (EVRA) trial - will determine whether various walk-in local anaesthetic treatments of varicose veins speed up the healing of venous leg ulcers. Up to 80 per cent of venous leg ulcers are due to vein problems.

Suitable patients from hospitals across the UK will be entered into these trials over the next two to three years, and the final results will be available in the next five to six years.

During 2014-15 patient recruitment was highest in:

- anaesthetics
- critical care and resuscitation
- diabetes
- obstetrics and gynaecology
- renal medicine
- thoracic surgery

Diabetes, obstetrics and gynaecology and renal medicine have been particularly successful and have greatly increased their recruitment of patients in the last year:

- diabetes - 25.44% in 2013-14 compared to 14.84% in the previous year
- obstetrics and gynaecology - 8.32% in 2013-14 compared to 0.55% in the previous year
- renal medicine - 17.72% in 2013-14 compared to 2.16% in the previous year

Grants

In this past year many new researchers have written grant applications and developed new research collaborations both within the trust and with external partners. One new area of research development has been mental health, with a strong focus on dementia research, education and awareness.

Applications for funding totalled in excess of £15.5 million compared to £14 million in 2013-14. We have also seen an increase in enquiries for advice in the development of local projects, as part of further degrees, from junior doctors, nurses, midwives and allied health professionals.

Academic activity

In addition to clinical trials, our trust hosts academic appointments in partnership with three local universities: the Universities of Birmingham and Warwick and Aston University. In 2014-15 Professor Ivo Vlaev (behavioural science and health) was appointed to the University of Warwick. Prof Vlaev has begun work to develop research to improve the safety and quality of care for patients across the trust.

With the University of Birmingham, new appointments have been made in public health (Professor Tom Marshall) and nursing (Professor Debbie Carrick-Sen, the new Florence Nightingale chair of nursing). Professor Marshall is beginning work in the management of chronic diseases and in particular patients with atrial fibrillation. Professor Carrick-Sen is keen to raise the profile of academic nursing in the trust and to increase applications for PhDs and post-doctoral fellowships.

“our trust is a major contributor to clinical trials activity in the West Midlands”

Case study

The microbiology laboratories on the Heartlands site are a partnership with Public Health England (PHE), which employs the lab's staff and provides substantial amounts of capital equipment.

These are one of the most complex and technically sophisticated microbiology laboratories in the country. They underwent an £11m expansion in 2013 and, as a result, they are also now the largest of their type in the country. They process samples from the hospital and primary care, and also serve as the regional reference centre for molecular bacteriology, CPE confirmation, Clostridium difficile and MRSA typing.

Carrying out research in partnership with PHE and the University of Birmingham, the virology laboratory is one of two national centres for HIV resistance testing as well as the regional centre for Middle East respiratory syndrome coronavirus (MERS-CoV).

NHS consultant fellowships

This year, we have supported the development of NHS consultant fellowships:

- Dr Mark Thomas (renal medicine) is working on a project to develop a system of alerts to provide outreach to patients with acute kidney injury and to achieve more consistent and more effective interventions in inpatients across the trust
- Dr Indy Das Gupta (renal medicine) is developing a pathway for investigations in patients with resistant hypertension and the use of urine drug assays to check for compliance, and also on a project to explore and assess phosphate binders
- Dr Ed Nash (respiratory medicine) has begun work to determine whether home monitoring of patients with cystic fibrosis helps to improve patient outcomes. The project will begin recruiting patients in 2015-16
- Professor George Tadros (mental health) has various projects under development including finding innovative ways to train staff using an online resource, designed to engage and appeal to staff and to provide them with the front-line knowledge to deal effectively with patients with dementia

Performance in research

In line with our obligation to publish data relating to our research activity, as set out in the Government's 'Plan for Growth', we submit data quarterly to the Department of Health (DH) under the categories of performance in initiating research and performance in delivering research. As part of the submission, we are asked to report back on the previous 12 months of activity and publish these in a public facing part of the trust's website (http://www.heartofengland.nhs.uk/research/nihr-performance-statistics/).

More detailed information on our research programmes can be found in this year's Quality Account.

Facilities,Estates and ICT

Asset management

The asset management directorate includes the facilities and estates teams, and the capital development and process design teams. The core priorities of the directorate are to develop and improve the standards of our frontline services such as cleaning, catering, transport, portering and waste management, while enabling us to become more efficient and helping to ensure that we can meet the future needs both of our communities and of our regulatory bodies.

Facilities

During 2014-15 a management restructure has created a new compliance team whose role is to monitor quality and standards across all of our services.

The newly organised team has completed the refurbishment of the restaurant at Good Hope, and the newly renamed Orchard Restaurant offers significantly improved facilities for all users.

Still within catering services, we have invested in food production equipment and cleaning equipment and re-evaluated and re-launched the patient menu, adding more than 40 new dishes.

At ward level, we have introduced disposable curtains to improve the environment for patients and we played an important role in helping our sites to meet unprecedented demand by preparing empty ward areas for occupants, often to very tight timescales.

Estates

An important focus within the estates team this year has been our implementation of an energy sustainability programme to enable the trust to meet the NHS interim target of a carbon footprint reduction of ten percent (from a 2007 baseline) by 2015. We achieved this target by June 2014 so we are advancing towards our legal obligation to reduce emissions by 34% by 2020. To achieve this we have installed a raft of technologies including:

- Photovoltaic roof panels to make optimal use of solar energy
- Combined heat and power engines to generate electricity and provide hot water for heating
- Variable speed drive motors to our theatre plant and ward air circulation plant, reducing the amount of electricity used
- New LED lighting with PIR sensing
- Replacement transformers, to achieve more efficient running

Programme management office: capital development team

The physical estate must support, facilitate and sometimes drive clinical and business strategies and the efficiency of operations. The team actively pursues optimal designs and best value construction of capital projects:

- In early October 2014 construction work began on Heartlands' new, state-of-the-art hybrid theatre, which will incorporate a laser-guided robotic imaging system. The new facility will support the trust's ambition to have the vascular surgery service recognised as a leader in its field, both for quality of services and for its facilities
- Two months later, construction began on the new dermatology department on the Solihull site. Approximately twice the size of the existing facility, it will give patients and staff a much higher quality environment and boost capacity
- We are in the process of managing several potential, large-scale capital investments which are currently being reviewed by the executive directors alongside the developing trust strategies to ensure that we provide a safe and pleasant environment for patients and staff.

Programme management office: process design team

The process design team is responsible for ensuring that services are innovative, efficient and forward-thinking. The team is providing project management support and professional challenge to operational and clinical teams in looking at new ways of working so that we can meet the changing care needs of patients effectively, and is also exploring how best to utilise the physical environments that are required to support new processes.

One example is the maternity and neonatal project (Project Pelican), which has progressed significantly over the last 12 months. We have recently implemented a new way of working that has resulted in the creation of a transitional care facility on Aspen Ward within the Princess of Wales Unit at Heartlands. This has so far provided care to more than 300 babies who have needed some neonatal care before they can go home. The facility allows mothers to stay with their babies - giving families a happier experience of their care, while utilising postnatal beds more efficiently and freeing up neonatal nursing resources for deployment where they are needed most.

Further improvements to our midwifery and neonatal services are in progress and, in summer 2014, the president of the Royal College of Midwives (RCM) attended a series of professional workshops to discuss the future design of a midwife-led birthing unit for low-risk mothers to give birth in a relaxing, homely and less clinical environment.

The team is also supporting the trust's commitment to a dementia and delirium strategy, which will require us to deliver an environment that is seen as 'dementia friendly'. We will need to support all three sites as each one takes on agreed principles regarding way-finding and signage, flooring, lighting and bathroom design.

A start has already been made with the new dermatology unit at Solihull.

What's next?

Facilities

- Replacement of the transport fleet (including shuttle buses) with modern fuel efficient vehicles
- Introduction of a new cleaning standards audit tool

Estates

- Review and invest in the resilience of site services to ensure security and continuity of supply to wards and clinical services departments

Programme management office: capital development team

- Ensure the on-time and in-budget delivery of the hybrid theatre and dermatology unit

Programme management office: process design team

- Complete the build and commissioning phase of the hybrid theatre and the dermatology unit.
    - Provide programme management support to the ongoing development and delivery of the programme transition projects and build projects to support the delivery of the strategy.

The Orchard Restaurant - Good Hope Hospital

Energy & Sustainability Interesting Facts

The trust overall energy expenditure this year was some **£5.1M**. In 2014 Facilities embarked on a major sustainability development investing £3.3M to reduce its energy expenditure by **12%.**

Variable Speed Drives (VSD's)
have been applied to a number of fans and pumps used for heating wards, to save power.

A reduction of just **20%** speed provides an energy saving of **50%.**

For a typical pump this would produce a saving of over

Solar PV panels have been installed on all trust sites generating

renewable energy

Each site uses all of the electric energy thus reducing the amount of electric provided by the grid as well as receiving an income from the Government,

to date the Solihull site has earned £12,500.

Heartlands Hospital consumes **44 million kWh** of gas per annum at a cost of **£1.5M**

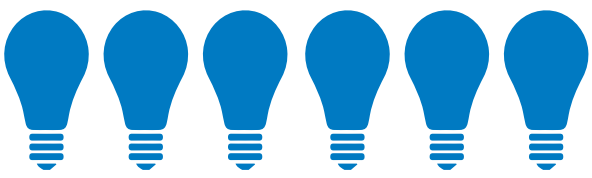
Enough to heat over 2,600 home per year

All 3 main sites produce their own electric using a **Combined Heat and Power plant (CHP)**

the heat produced by this plant is also used to provide heating and hot water to wards.

The standing charge of the gas main supplying Heartlands Hospital is **£300** per day totalling over **£100,000** per annum.

Over £1.7m has been invested in replacing lighting across the trust



enabled savings of circa

1,700 tonnes of CO_2

The Good Hope CHP exports electric back to the grid during night time hours when the hospital site consumption is reduced, to date this has earned the trust

£24,000 in just **8 months.**

ICT

Following extensive work to embed the new, multi million pound storage area network (SAN) in 2013-14, an important focus for the ICT department in 2014-15 has been the implementation of a new project to modernise local area network (LAN) technology across all three hospital sites. This will help in making sure that our IT systems are robust and fully ready both for our own future developments and for those in the wider health economy.

Network refresh

This network refresh project has been planned to provide resilient networking services from switching, cable and power provisioning points of view and is an essential early step in ensuring consistent performance to users of trust systems.

Our new LAN set-up will allow us to embrace new ways of delivering data and voice services. Reliability will be enhanced because the set-up will enable us to carry out essential upgrade, monitoring and maintenance work with no – or only minimal – impact on the end user. When any potential issues are identified, it will be much easier to protect other users from being affected and so to maintain maximum connectivity for users of the systems.

We are in the process of replacing wider area network (WAN) links that make up the current HEFT-WAN so that we can run the network at lower cost and also improve internet access while preparing the trust to connect to the next generation Public Services Network (PSN), the UK government's high performance network for the public sector. As an additional benefit, this work will allow for a more flexible way of connecting other sites (such as community ones) to the updated HEFT-WAN.

Digital dictation

Also during the past year, the IT department has pushed ahead with long-held ambitions to deploy digital dictation throughout trust operations. We have now awarded a contract and we will shortly implement the planned solution alongside a fully integrated replacement clinical letters application. The digital dictation solution will replace obsolete, expensive analogue systems with improved audio digital equipment. Digital dictation will enable better visibility and management of letters while assisting both with letter turnround KPIs and with 18-week referral to treatment (RTT) targets. Many of the clinical administrative teams have been keen to see this development for some time, both because it will streamline administrative tasks and because it will bring clear benefits for patients and their care.

As an additional part of the project, we are introducing a new clinical letters system that will be fully integrated with Concerto (the clinical portal that provides a unified view of patients' details and enables staff to manage patient care and activity efficiently), patient demographics and electronic letters transfer to GPs.

Your Care Connected (YCC)

Following work started in 2013-14 on creating more joined-up access to patient records, we have been working on YCC, a system to enable doctors and nurses to access patients' primary care GP records when they present to the trust for treatment.

We are working on a proof of concept (POC) in collaboration with eight GP practices as well as with Sandwell and West Birmingham Hospitals NHS Trust, University Hospitals Birmingham NHS Foundation Trust, and Birmingham and Solihull Mental Health NHS Foundation Trust. Subject to successful completion and approval of the POC, phase one of YCC will be introduced in May 2015, extending it to further staff groups and more GP practices across the region.

The implementation will give participants:

- Access to up-to-date primary care information supporting patient safety and joint risk assessments
- Direct care of individual patients and inter-provider transfers
- Opportunities to share information between primary and secondary care services
- Reduced duplication and a more efficient, cost-effective service

The HEFT Integrated Improvement Plan (IIP) Bringing it all together

Context

The board of directors recognises that a structured, joined up approach is required to meet the challenges of delivering safe and effective healthcare in a challenging regulatory environment such as HEFT which is also a large and complex multisite organisation of in excess of 11,000 staff.

Our structured approach to delivering safe and effective care is the Integrated Improvement Plan (or IIP for short).

We describe the IIP as ultimately the 'stick of rock' that runs from ward to board and is the articulation of how we work at HEFT, putting patients at the centre of our thinking. We have listened carefully to the views of our board, stakeholders such as our Clinical Commissioning Groups and regulators including Monitor, NHS England and the CQC in designing this IIP, focusing on the things we believe are important to our patients and our staff.

Ultimately, with a suite of trust strategies in place by late 2015, the six IIP programmes will develop into our strategies - translating in time to a state of 'business as usual'.

Based on discussions and critical evaluation the IIP has been constructed from six major work programmes based on known areas of risk and a number of significant shortcomings been identified over the past seven months including a review of governance arrangements at the trust by Deloitte LLP and a review of avoidable mortality conducted by Stan Silverman:

- Urgent care
- Scheduled care
- Governance recovery
- Mortality
- Culture and staff engagement
- IM&T

We know that getting these 'right' will help the trust function more effectively for patients and be a better place for our staff to work in , which is why fixing the culture (a journey typically measured in two to three years) is so important and is receiving considerable emphasis through our recent staff listening events and 'listening into action'.

Each programme is led by an executive director and we have shared their personal views on the programmes they lead and why they are so important.

Governance recovery programme: Exec lead - Sam Foster -chief nurse

"My role as the Executive lead (SRO) for this programme is to ensure that we maintain grip, pace and focus and that the programme delivers on its objectives, that we provide the requisite level of assurance to the trust board and to Monitor that we can and will achieve a greatly improved approach and understanding of our strategic risks and how they relate to our operational performance and our public reputation."

Urgent care programme: Exec lead - Jonathan Brotherton - director of operations

"The urgent care improvement programme is a key element of the overall improvement plan for the Trust; ensuring that all unplanned patients are quickly assessed and appropriately treated. This programme involves the vast majority of our clinical services and so it is appropriate that, as director of operations, I act as its senior responsible owner. I have an engaged clinical and managerial team working with me to deliver the significant changes that are required. I believe that together we will lift our performance and reduce, to the lowest possible level, the clinical risk to our patients."

IM&T programme Exec lead - Jonathan Rex - director of IM&T

"Appointed in an interim capacity to initially stabilise the IT function as well as some key project recovery and then review, with some carefully selected third party consultancy, the capability and capacity of the department. In parallel there was a need to re-engage the IT function with the clinical and corporate functions and bring all that together into an IT strategy which aligned and underpinned the emerging corporate strategy."

Staff culture & engagement programme Exec lead - Hazel Gunter - director of workforce

"My personal role is to lead the development of this programme to ensure it delivers on the outcomes and assuring the board on this project, whilst also supporting the senior executives in their part of the culture and engagement programme."

Scheduled care Exec lead - Jonathan Brotherton - director of operations

"My role as the SRO for this programme is to drive improvements in patient flow right across the whole of HEFT, so identifying the links between this programme and the urgent care programme and then managing those interdependencies is critical to the successful delivery of both programmes and the realisation of the full range of benefits for patients and staff alike."

Mortality programme Exec lead – Ann Keogh – director of medical safety

"My role as the director of medical safety (Dr Clive Ryder is SRO for this programme) is very clear to me, to ensure that the programme is properly managed and resourced. To ensure that the trust develops and implements robust policies and processes that enable us to fully understand the reasons that underpin our mortality rates and provide opportunities to improve our survival rates."

How do we know how we are doing?

Working with Deloitte LLP, the trust has developed a suite of improvement metrics that are used to track progress with each of the six programmes of work. These are routinely scrutinised and exception reporting used to identify when a programme is going off track and the steps needed to support the programme.

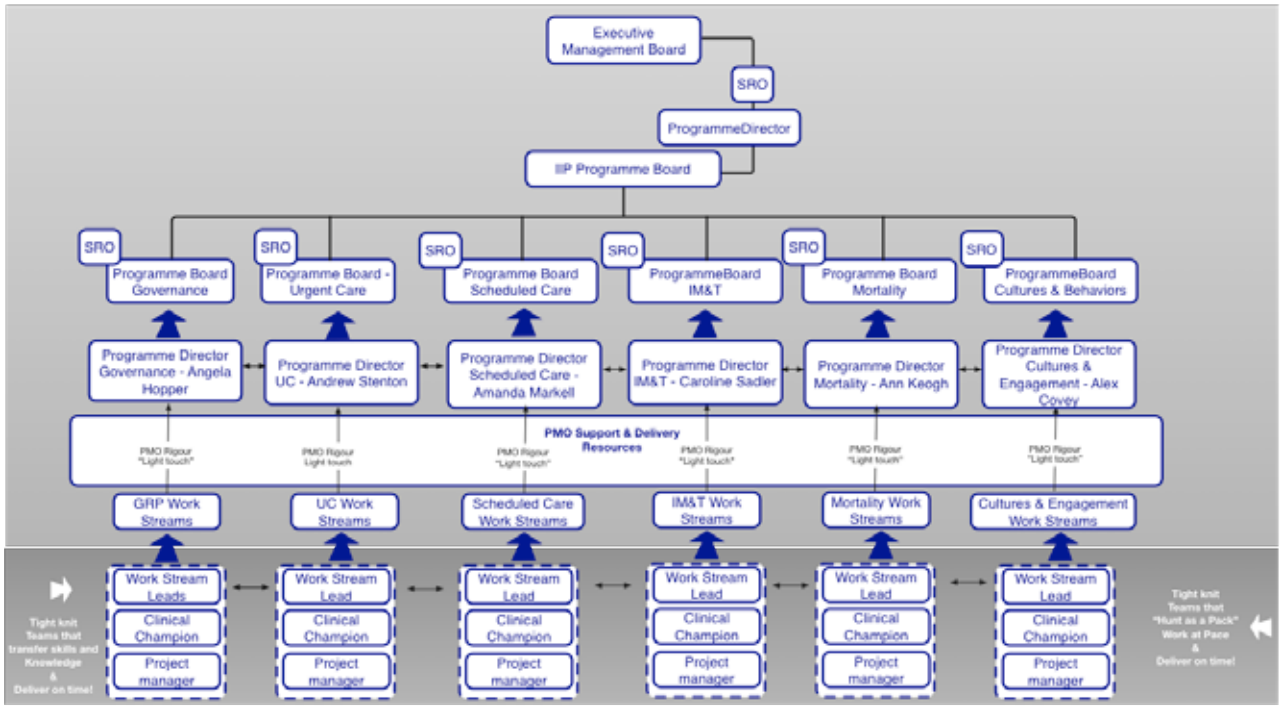
Keeping us on track: IIP Programme leadership and governance

The overarching management of the programme is the responsibility of Andrew Foster, interim chief executive with Andrew Catto, the deputy CEO and exec medical director responsible for the day to day management of the IIP.

We know that when we have just one plan for action, rather than many plans, the programme interdependencies are more clearly visible and the same 'discipline' can be applied to the programmes with a unified reporting structure using identical templates underpinned by the discipline of a programme management office (PMO) approach.

The IIP is reported upward to the board via the IIP programme board and executive management board. We also share the progress of the IIP with our local stakeholders including the CCG, NHS England and the CQC.

A robust project governance structure shown below was approved by the board of directors;



We will report on progress with the IIP in the next year's Annual Plan.

Mr Andrew Foster
Chief executive
27 May 2015

Heart Of England NHS Foundation Trust

Quality Account 2014/15

Contents

Introduction

All providers of NHS Services in England are required to produce an Annual Quality Account. The purpose of a Quality Account is to inform the public about the quality of services delivered by the Trust. Quality Accounts enable NHS Trusts to demonstrate commitment to continuous, evidence based quality improvement and to explain progress to the public.

This account also forms part of the trust Annual Report which contains information which may be of interest including:

Workforce
Equality and diversity
Learning disability
Surgery reconfiguration
Ian Kennedy review
National staff survey

Chief executive's statement

Welcome to Heart of England NHS Foundation Trust's Quality Account for 2014-15, the year in which we launched a public consultation on our plans to reconfigure surgical services for our 1.2m-strong community.

These plans are part of a wider strategy to create a fully integrated, modern healthcare organisation capable of delivering continuous improvements both to care outcomes and to patients' experiences of care - efficiently and sustainably.

2014-15 has been another challenging year for Heart of England, as it has for many other trusts. We've struggled with a number of targets, notably with regard to patients with suspected cancer being first seen by a specialist within two weeks of an urgent referral, and also with the four-hour waiting time target in our emergency departments (EDs).

Since I've been in post I've seen how overcrowded our emergency departments can become, and it is clear to me that only building a new department at Heartlands Hospital will give us the long-term solution that our patients need. Nevertheless, there are things we can do differently to bring some improvements about sooner and I have started a programme of breakfast listening events to enlist frontline clinical teams in helping us to work on practical fixes. We have invested in much-needed new equipment and we are pushing ahead with plans to take pressure off the EDs by developing the urgent care facilities at Solihull, the AEC service at Heartlands, and the ambulatory care service at Good Hope which, I am pleased to report, has one of the best rates in the country for treating patients without the need for admission to hospital.

It has been disappointing that, between July 2014 and October 2014, we were unable to report on our performance with regard to all three standards for the referral to treatment (RTT) times due to migration to a new patient administration system (PAS). On return to reporting the admitted and non-admitted standards in November 2014, the trust failed the admitted target. The non-admitted standard was achieved in quarter one but on return to reporting, and predominantly due to closure of legacy open clock pathways, the target was not achieved.

In 2014-15 our priorities were a continuation of those we had identified in 2013-14. We have gathered robust data throughout the year to monitor progress and measure improvements year on year.

Our headline priority was the fundamentals of care. Based on the National Care Campaign the work encompasses basics like pain management, communications, privacy and dignity, and nutrition. We have worked with external agencies to improve care fundamentals for several groups of patients with specific care needs – in particular, the end of life requirements of Muslim patients, and also strategies to prepare people with learning disabilities for their hospital admission and treatment.

We have also focused on evidence that we can gather closer to home, from patients and staff via friends and family test cards, analysing the data monthly and reporting it regularly to senior nurse managers and also to the CCG (Clinical Commissioning Group). Over the last year we have seen over and over again how important personal interactions can be in bringing about improvements to the fundamentals of care. Simple actions like dignity ward rounds and night ward rounds by senior nurses have resulted in easy but morale-boosting improvements such as the replacement of inferior razors with better ones so that patients no longer find themselves avoiding shaving.

Other important priorities include falls, pressure ulcers, strokes and fractured neck of femur. In this last area, it was clear from the 2013-14 Quality Account that we had a significant amount of work to do, and there has been much progress against some challenging targets:

In this we have been helped by the appointment of two additional trauma consultants, originally as interim support but now on permanent contracts. Additionally, we commissioned an external review of the fractured neck of femur treatment pathway and have implemented a range of recommendations including an expansion of the number of beds earmarked for these patients so that fewer will need to be admitted to non-trauma wards. In future, we'll see further improvements via a number of planned initiatives: perhaps the most significant benefits will be derived if the surgical reconfiguration plan proceeds as proposed. One aim of that proposal is to integrate trauma at a single site, which will increase both bed capacity and theatre availability.

In the past year we have, once again, been active in 400 or so ongoing research projects. Our research interests focus particularly on anaesthetics, critical care and resuscitation, diabetes, obstetrics and gynaecology, renal medicine and thoracic surgery. In addition, we have expanded this year into mental health research following the appointment of an academic research consultant specialising in dementia research, education and awareness. These research programmes reflect some of the specialties for which Heart of England is best known, and they are helping us to make sure we can remain at the forefront of developments in care in these areas.

I have only been at this trust for a matter of months, but I would like to thank all the staff, volunteers and partners in the local health community for their hard work and commitment over the past year.

In making this statement I confirm that, to the best of my knowledge, the information contained in this Quality Account is accurate.

Mr Andrew Foster
Chief Executive
27 May 2015

Part 2:

Looking back: Progress against 2014-15 priorities for quality improvement

The trust is required to set priorities for improvement for the Quality Account. These are issues which are considered to be important to patients, local communities and stakeholders.

We chose to continue focusing on all seven priorities from 2013-14 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 areas. Each priority details how and where they are monitored.

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 communications; privacy and dignity; pain management; and nutrition.

How is this priority measured?

The patient metrics score card is now available on the back of the friends and family test card and captures the experiences of patients during their stay in hospital. This allows patients and carers to provide a first-hand account of their hospital experience.

The nursing metrics also audits nursing processes on ten patients on every ward each month. This is carried out objectively 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 also forms part of the nursing report which is presented and discussed at trust board.

What have we done to improve?

Communication

- We hosted a national 6Cs conference in October 2014 with over 250 attendees
- We continue to work closely with the National Council for Palliative Care and the Dying Matters Coalition on compassionate care and communication at end of life. At present, there is a focus on compassionate employers and how we can support staff when they face personal difficulties (e.g. bereavement)
- We have a 'carers' project' as part of a successful bid to Health Education West Midlands. This project looks at communication with patients and carers and the importance of listening to those who know the person best. The project hosts a carers' forum where carers discuss issues raised and provide advice and guidance for staff on patient and carer care
- The DVD entitled 'I didn't Know That' about end of life requirements from the Muslim perspective has been very well received by the local Muslim population and nationally via The National Council for Palliative Care
- We are also working in collaboration with Coventry & Warwickshire Partnership Trust to co-fund an acute liaison learning disability facilitator to support patients with learning disabilities

in preparation for their admission, during their hospital stay and planning for discharge. Pre-admission visits to the ward/department are often arranged so that patients can meet the staff and familiarise themselves with the hospital environment.

Privacy and dignity

- We monitor all ward areas for same sex breaches, where male and female patients are in the same bay overnight. Any breach is reported via Datix (the trust incident reporting system) and a root cause analysis (RCA) is completed for each occurrence
- Dignity ward rounds continue to be undertaken by senior nursing staff. These rounds enable the senior nursing team to talk with patients and carers about their care and any issues they may have about privacy and dignity issues. For example following a recent round we have changed the supplier of razors as several gentlemen said that they would rather not shave as the razors available gave them cuts and grazes
- Patient safety walkabouts are undertaken by members of the executive team. They are undertaken to speak with frontline staff and patients and hear their experiences and reflections about the care they provide, the area they work in and the organisation they work for. Any issues raised are highlighted to the managers and comments noted
- Night visits are also undertaken by the chief nurse, senior nursing and midwifery staff to ensure that care 24/7 is delivered to consistently high standards. These visits are also useful to gain an understanding of specific issues relating to care out of hours e.g. noise at night
- CCG and Community Health Care visits provide objective feedback on the quality of care provided including privacy and dignity issues

Pain management

- A project is being undertaken by the pain team and anaesthetists to reduce post-operative breakthrough pain in elective orthopaedic surgery
- As part of the nursing metrics 10 patients per ward per month are audited for pain and appropriate pain control. Assurance that analgesia is prescribed as required is obtained through these checks
- The anaesthetic department also runs a trust-wide pain clinic providing treatment plans and support for patients with acute and chronic pain
- A carer and users forum has been set up around medication to gain feedback from patients and carers re medication issues
- A trust-wide review of the pain management care plan is currently being undertaken

Nutrition

- We ran a nutrition and hydration week in March 2015. The week will highlighted key issues and considerations with nutrition and hydration e.g. encourage milky drinks between meals for patients with a poor appetite to increase protein and energy intake
- As part of the nutrition and hydration week 'Come dine with me' events were held across the trust for staff to sample food from the new trust menu that was introduced in 2014
- We offer a wide range of special menus including vegetarian, Afro Caribbean, halal, kosher, puree etc
- The Eat, Drink Move project acknowledges the importance of keeping patients mobile to reduce the risk of pressure ulcers and hospital acquired pneumonias. Staff encourage and assist patients to walk to the toilet and also to the food trolley to choose meals
- We undertake an annual Essence of Care trust-wide mealtime audit
- Plans are in progress to have a fruit and vegetable store outside the main entrance at Heartlands Hospital
- All patients on admission receive a nutritional screening and, if required, a full nutritional risk assessment is undertaken and management plan commenced

Future plans to improve compliance against the trust targets

- Ongoing initiatives to embed the 6C's in the delivery of patient care. Compassion cards are going to be launched on International Nurses Day on the 12th May 2015. These can be presented to any member of staff who has gone above and beyond their normal role and will be an important part of a person's personal portfolio
- Ongoing monthly monitoring of pain management through nursing metrics and implementation of the findings of the review of the pain management care plan
- Sleep packs (including ear plugs and eye masks) will be piloted
- Schwartz rounds are meetings that enable healthcare professionals to share their experience for caring for patients, and to acknowledge and explore the pressures they face, in order to help them carry out their roles more effectively. The trust has just implemented these rounds and is part of the national review being undertaken by the Kings Fund.

Priority 2: Falls

What is the measure?

Reduction in the number of falls.

How is the priority measured?

All falls are reported via the DATIX and daily via the Daily Harm to alert staff a fall has been reported for their clinical area. The Daily Harm will indicate if any fall has been reported as injurious from the previous 24hr reporting period, this provides an alert to both the clinical team and the site team a patient has suffered harm as a result of a fall.

Weekly surveillance has also been introduced; this is a retrospective look at the previous week capturing all the reported falls, the report is sent out to the site head nurses and their deputies. The chief nurse or nominated deputy will hold a weekly conference call to discuss the harms identified for the respective sites.

All injurious falls require the completion of a RCA and these are presented at the site monthly forums, which are chaired by the site head nurse. All three hospital sites have an appointed falls lead and each site has a falls group to review learning from falls.

Falls rates are reported through the trust delivery board, which provides assurance to the executive management board regarding care delivery and harm associated with patient falls.

All injurious falls are reported externally to the CCG and copies of all completed RCA and the action plans are submitted.

We also complete the National Safety Thermometer (Department of Health Operating Framework for the NHS in England 2012-13). The audit is monthly point prevalence and captures any fall that has happened to inpatients in the preceding 72 hour period. The trust has continued to show improvement, with March 2015 recording a 1.22% of falls happening within the preceding 72 hour reporting period.

Falls Nursing Care Indicator has shown an increase of six percent from quarter three to quarter four with a score of 92.3 %. Whilst this indicator has not achieved the standard of 95% the progress that has been made remains positive and reflects the changes within the falls bundle are being embedded into practice.

What have we done to improve?

We have contractual key performance indicators (KPI) set with our external stakeholders which is to measure the reduction in the number of falls and evidence from the nursing care indicator that we have compliance with the falls care bundle level one. The year-end target was set at 95% compliance; the achieved rate was 97% by March 2015.

The agreed 20% reduction trajectory for all hospital falls was to achieve quarter four target of 6.4 per 1000 occupied bed days (OBD). The trust achieved 7.19 per 1000 OBD, which was outside of the trajectory however in comparison to 2013-14 this was an 18% reduction. The detail is shown in the chart below:

- The implementation of the new integrated Management and Prevention of Falls Policy was launched in May 2014 along with the new falls bundle to replace the stratify assessment. Improvement is now evident, partly due to the nursing risk assessment booklet being revised and the new falls bundle being included within the booklet
- The falls VITAL module remain available for both registered nurses and healthcare assistants with in excess of 1000 registered nurses having completed the module and approximately 300 healthcare assistants
- Successful appointment of an additional falls coordinator, with further recruitment planned
- Work is ongoing for the falls web page development, with a target date for completion of July 2015
- The successful falls sharing event held during quarter three is being planned again with the intention to hold an additional two events in 2015-16
- We are committed to ensuring we have robust plans and lessons learnt when patients sustain an injurious fall and have set up a trust level scrutiny meeting with the medical director for patient safety, the deputy chief nurse and the lead nurse for falls

Future plans to improve compliance against trust targets include

We are committed to reducing the overall falls rate across the organisation and working with stakeholders to achieve the targets agreed. Future plans include:

- The falls sharing events will continue with a second planned for September 2015
- To support clinical staff with the RCA process, a new electronic RCA is being developed with a target completion date of July 2015
- With the new falls coordinators in post, the falls team intend to undertake work in the reduction of multiple fallers thus reducing the number of injurious falls as a consequence. Work will be ongoing throughout 2015/16

Priority 3: Pressure Ulcers

Pressure ulcers affect nearly 700,000 people a year, across all care settings, with approximately 186,617 patients developing a pressure ulcer in hospital each year and each pressure ulcer adds over £4,000 in additional costs to care. (NHS England Stop the Pressure Campaign).

Pressure ulcers can be extremely uncomfortable and in severe cases can result in irretrievable harm or even death. However, the vast majority of pressure ulcers are avoidable with the right procedures in place and when people are aware of what to do to prevent them. National Institute for Health and Care Excellence (NICE) Pressure Ulcer Prevention and Management of Pressure Ulcers (2014) provide key recommendations for preventing pressure ulcers. These include correct identification, robust risk assessment and appropriate preventative measure being implemented. We are committed to preventing harm to patients caused by pressure ulcers and therefore have implemented all of these recommendations.

What is the measure?

To achieve zero hospital acquired pressure ulcers.

How is the priority measured?

The "Daily Harm Alert" is now in place which informs clinical staff on a daily basis if a pressure ulcer has been reported for their clinical area.

Weekly surveillance has also been introduced; this is a retrospective look at the previous week capturing all the reported pressure ulcers. The report is sent out to the site head nurses and their deputies. The chief nurse, or nominated deputy, hold a weekly conference call to discuss the harms identified for the respective sites.

A monthly site pressure ulcer forum meet to determine the avoidability of each pressure ulcer following the completion of an RCA. These are chaired by the site head nurse. The sites are required to submit an exception report to the Nursing and Performance Committee for areas that are not achieving the required standard (95% required for tissue viability metric).

The tissue viability nursing care indicator has eight individual measures to achieve an overall score of 95% or above each month. Although the average score for quarter four was 91.3% and below the expected 95% it is over a three percent improvement from quarter three. All individual indicators are required to achieve above 90% as per our KPI, only two of the eight indicators did not achieve this through the quarter but both made improvement with evidence of repositioning frequency being adhered to improving by 13%.

[2] Definition of Avoidable or Unavoidable pressure ulcers:

Unavoidable, the pressure ulcer has developed despite all preventative measures being in place. This can occur due to underlying /pre-existing health conditions or the patient simply chooses not to comply with care being provided or offered.

A pressure ulcer is deemed as avoidable if there has been an omission in the care provided or a failure to follow process has been the contributing factor in the pressure ulcer development.

In January 2015, a Tissue Viability Strategy Group was established which is chaired by the deputy chief nurse. The key objectives of this group are to set site trajectories for 2015-16.

The trajectories for 2015-16 are currently being developed and the proposal will be to have a 20% reduction on avoidable grade two pressure ulcers per site against the site's previous year's performance.

We have contractual key performance indicators (KPI) to be met through the CCG. The KPI is an agreed measurable numerator for avoidable pressure ulcers against the agreed defined categories.

Whilst the target set by the commissioners has not being met we have made improvement from the previous year with the number of avoidable grade two pressure ulcers for 2014-15 at 196 compared to 246 for the previous year. This relates to an improvement of 20.4% which clearly demonstrates an improvement in harm reduction. The avoidable grade threes have also reduced; although this was by only two from 63 to 61 we acknowledge there is still work to do to adhere to the agreed zero tolerance.

The National Safety Thermometer continues to be completed and submitted monthly; this provides a point prevalence snapshot of pressure ulcers and does not reflect the numbers that are submitted via the KPI source sheets. The pressure ulcers are defined as old or new, old are those pressure ulcers which developed prior to the patient being admitted and new are those that have developed since admission.

What have we done to improve?

- For 2014-15 we planned to implement a bespoke tissue viability risk assessment tool across midwifery. The tool has now been signed off and will be implemented from April 2015. The monitoring of the new tool will commence from June 2015
- The risk assessment tool for intensive care and high dependency is ongoing. We anticipate this will be completed by May 2015
- The introduction of the SSKIN Bundle in 2014 has remained a challenge. Education remains on-going with clinical teams to ensure they are completing the SSKIN tool
- The clinical nurse specialist for tissue viability, along with the tissue viability nurses, continue to deliver both ward based and classroom education to all grades of nursing staff. There are ten tissue viability study days a year that are available for registered nurses and the same for health care assistants with an annual update for the tissue viability link nurses. All clinical areas now have a minimum standard of one tissue viability link nurse who can be utilised as a resource for the clinical team
- We have also developed and implemented a trust-wide electronic RCA which is the tool used to determine the avoidability of the pressure ulcer. The tool was designed in conjunction with user feedback and provides "drop down options" to support completion

Future plans to improve compliance against the trust targets

- We are committed to reducing harm to patients caused by avoidable pressure ulcers. We are currently negotiating with the CCG regarding the KPI targets for 2015-16. Once these are agreed each site will have its own trajectory to achieve and this will be monitored via the Tissue Viability Strategy Group with a target date of May 2015
- The development of a tissue viability risk assessment tool for use within the renal dialysis unit is in development and has a target date for completion of May 2015
- To support accurate classification of pressure ulcers for the purpose of management and reporting, we intend to implement trust wide clinical photography of all pressure ulcers. To support this initiative the proposal is being presented to the trust clinical IT group in April.

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.

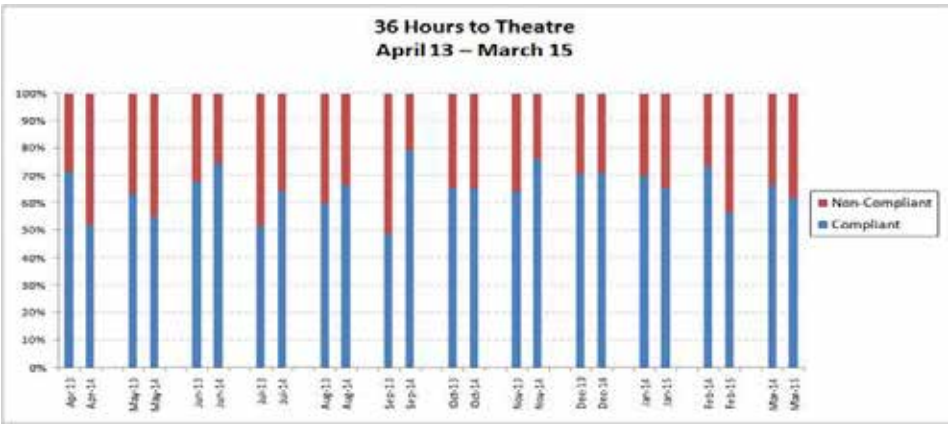
The national target to meet all elements of best practice pathway is 76.4%. Time to theatre target is 90% operated on within 36 hours (with a 10% tolerance for medically unfit patients). All other elements of the pathway have a target of 100%.

What is the measure?

We have chosen five indicators (highlighted in bold above) to monitor in more detail for this priority. This year, for the first time, routine access to ortho-geriatric medical care and assessment and appropriate treatment to promote bone health and falls assessment has been included. Both of these areas were seen as paramount to improving the quality of care of patients on the fractured neck of femur (NOF) pathway. The indicator 'review at multi-disciplinary (MDT)' has been dropped as a priority as the trust consistently achieves 99.5% - 100% and it can be confirmed that this has been maintained.

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 which at the end of 2014-15 66.2% was achieved. This is an improvement on the previous year of 60.3% in 2013-14. The graph below shows a month by month comparison.

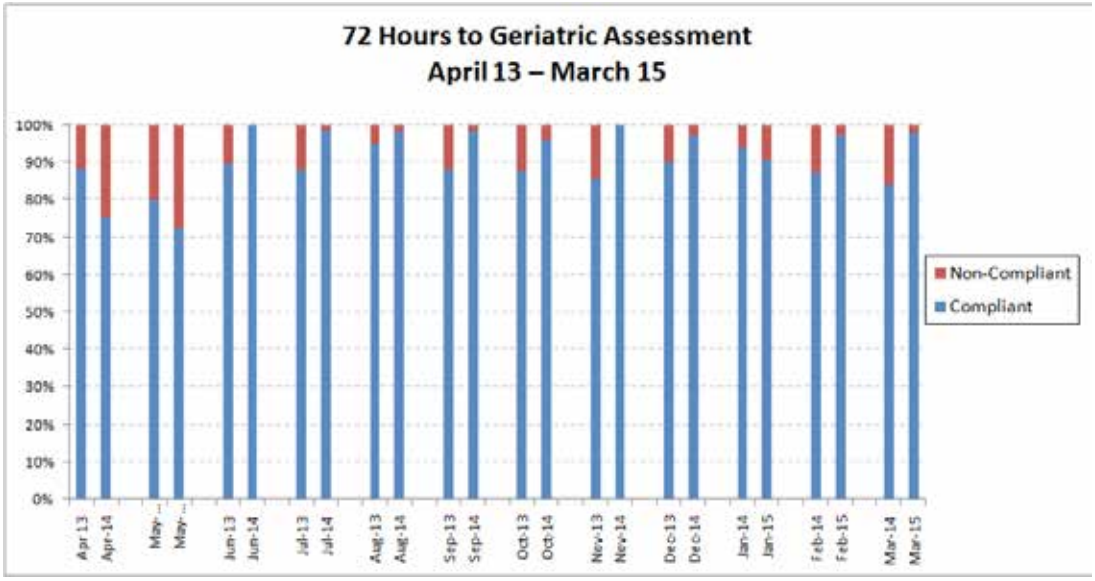


The graph shows across the trust, with the exception of April 2014, there has been a month on month improvement in time to surgery.

Routine access to ortho-geriatric medical care

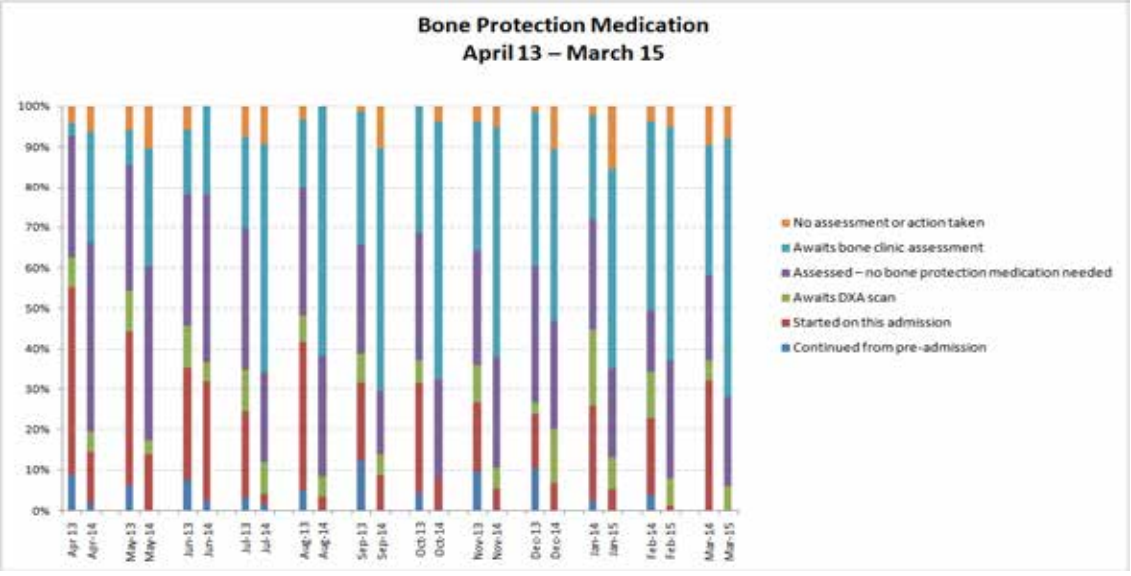
This indicator is included for the first time in the Quality Account for NOF pathway with a local standard of 72 hours. At year end 2014-15 we achieved 93.6% compliance compared with 2013-14 87.4%. Performance against this standard and the next three areas listed are dependent upon ortho geriatric resource being available which comes from outside the directorate.

Trust wide



The graph shows across the trust an improvement every month on the previous year's performance.

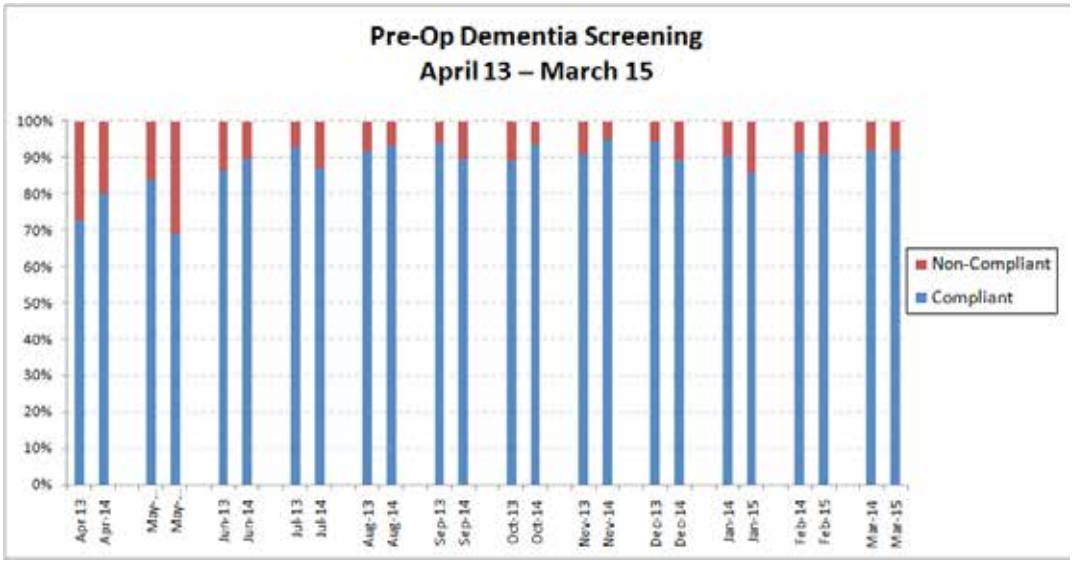
Assessment and appropriate treatment to promote bone health and falls assessment



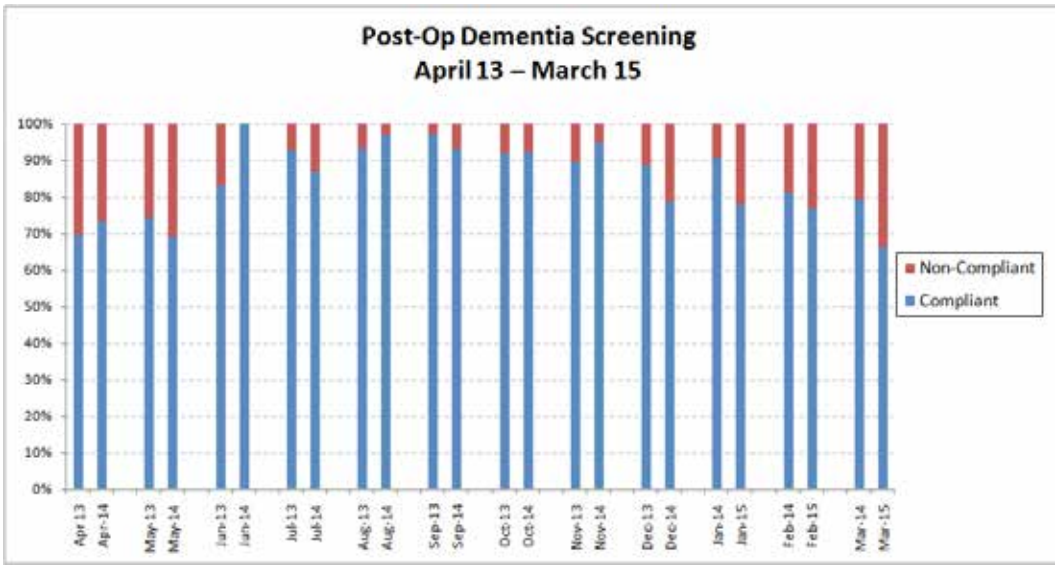
A risk assessment is completed on all patients for falls – which is audited vis the nursing metrics. A scrutiny forum is held monthly by the head nurse and a root cause analysis via completed for all injurous falls.

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

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.



At the end of 2014/15 the trust achieved 88.0% compared with 86.4% at the end of 2013/14 against a target of 90.0%.



The trust achieved 83.4% in 2014/15 compared with 72.8% at the end of 2013/14, against a target of 90%. The biggest improvement in performance can be seen in the pre operative dementia screening. Within the trust, dementia screening has been a major focus for all specialties, with great emphasis being placed on this indicator with ward staff and at junior doctor induction on rotation.

The directorate are reliant on manual data collection for Best Practice Tariff (BPT) and National Joint Register (NJR) from multiple hospital systems. In validating the data for this year's quality account, some data quality issues have been identified. The data has now been fully validated and the directorate have identified additional funding to address their data quality issues going forward.

Overall the trust's performance against this priority has improved by just over 10.0% achieving 50.3% across all the indicators at the end of this year compared with 39.7% in 2013/14. The directorate achieved the national overall target in year, but we were unable to sustain this.

How are these priorities measured?

- The data for these priorities is a subset of the extract from the NHFD from the fractured neck of femur best practice tariff monthly reports. It is widely distributed across the directorate and discussed in the following forums:
- Good Hope Hospital* performance and efficiency meeting
- Good Hope Hospital quality and safety meeting
- Birmingham Heartlands Hospital trauma action group
- Directorate business and governance meetings

*Good Hope Hospital has responsibility for trauma and orthopaedics across the trust.

What have we done to improve?

- Establishment of two extended trauma theatre lists at Birmingham Heartlands Hospital
- It was identified that further capacity was required to prevent the admission of NOF patients to non trauma wards in 2013-14. This has been achieved at Heartland Hospital with the trust going at risk with the financial costs of this expansion to the bed base
- Temporary appointment of two trauma consultants from February 2014, two of which were made permanent in December 2014
- On the Heartlands site a multi-disciplinary NOF Group meet weekly to review the NOF patients
- Grand consultant ward rounds have been introduced seven days a week at Heartlands Hospital
- The Heartlands site supported the appointment of an interim trauma manager for six months from October 2014
- A patient participation group was held for NOF patients at Heartlands Hospital. As a result actions have been taken to improve the patient experience
- The NOF pathway at Heartlands Hospital was reviewed by an external consultancy firm which produced a set of recommendations and action plan

Future plans to improve compliance against the trust targets

- Re-launch of the trauma action group which was temporarily suspended pending the appointment of the directorate clinical director
- A business case is being developed to implement a new trauma on call rota at Heartlands Hospital to increase the number of senior medical staff available at the weekend
- A business case is being developed to increase the trauma nurse coordinator role and for the permanent appointment of a trauma service manager as part of the directorate
- Further work is required to identify dedicated paediatric and adult day case theatre lists at Heartlands Hospital
- Work continues as part of surgical reconfiguration programme to have trauma on one site with the increase in theatre/ bed capacity
- In conjunction with trust IT system services develop a trauma & orthopaedics database to meet the data requirements of national audits and enquiries i.e. National Hip Fracture Database, National Joint Registry

Priority 5: Stroke

Background information

A review of stroke services across the Midlands and East of England in 2012 recommended that hyper-acute stroke services should be provided by services seeing at least 600 stroke patient admissions each year supported by a seven day a week specialist stroke workforce. The review has reached a pivotal phase of modelling the hyper-acute stroke service requirements across Birmingham and the Black Country. The general direction of travel is to have fewer units providing hyper-acute stroke care and a very detailed service specification has been published.

The regional modelling only includes one hyper acute stroke unit (HASU) within the trust and following an internal review of stroke service provision the trust agreed to reconfigure their services to provide one HASU at Heartlands Hospital and an acute stroke unit (ASU) at Heartlands, Solihull and Good Hope Hospitals. As the single HASU hub, Heartlands Hospital will manage all the emergency stroke admissions across the trust. Once the hyper-acute phase is over patients will be transferred to their local hospital if necessary to complete their treatment closer to home.

The timeline was as follows:

- Regional review of stroke services 2012
- Internal review of stroke services August 2012
- New hyper-acute stroke unit was launched at Heartlands Hospital on 30th October 2014
- Hyper-acute stroke service transferred from Solihull to Heartlands Hospital on 17th November 2014
- New acute stroke unit was opened at Heartlands Hospital on 21st January 2015
- Hyper-acute stroke service transferred from Good Hope to Heartlands Hospital on 2nd February 2015

These significant changes to the stroke service across the trust over the last year will affect the data presented below in a number of different ways.

Four specific measures have been chosen from the acute stroke pathway because they are considered good indicators of the quality of care received by patients. They are the same measures as previously reported. Where the previous year's figures are available, these have been put in brackets for comparison.

What is the measure?

Acute stroke patients thrombolysed – target ≥ 10%

- 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 (ED) performance in rapid stroke assessment and referral.
- The ability of the stroke service (medical and nursing) to respond with seven day working patterns.

How is the priority measured:

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

	Percentage of patients who received thrombolysis			
	Q1 14/15 (13/14)	Q2 14/15 (13/14)	Q3 14/15 (13/14)	Q4 14/15 (13/14)
Heartlands (BHH)	4.4%	13.3%	11.2%	10.8% (9.3%)
Good Hope (GHH)	0.0%			N/A (5.3%)
Solihull (SH)	10.8%	6.5%	11.1%	N/A (2.2%)
Trust	5.1%			10.8%
Nationally	12.2%	11.7%	11.6%	Unknown

Due to the changes within the stroke service across the trust over the last two years the percentage of patients who received thrombolysis at the different sites has varied from quarter to quarter. During the year there has been a gradual increase in appropriate patients receiving thrombolysis across the trust.

The trust achieved the target for Q4.

This measure is reviewed weekly in the thrombolysis governance meeting at Heartlands Hospital.

What have we done to improve?

Since Monday 2nd February 2015 when the hyper-acute stroke service transferred from Good Hope Hospital all emergency stroke admissions across the trust are delivered to Heartlands Hospital and thrombolysis is only administered on this site. One of the main objectives of centralising the hyper-acute stroke service including thrombolysis at Heartlands Hospital was to improve the quality of care through an increase in the concentration of specialist medical and nursing staff available 24/7.

At Heartlands Hospital there is now a stroke specialist nurse (SSN) team responding within five minutes and a supporting medical bleep holder responding within 15 minutes of a stroke alert 24/7.

There is a weekly thrombolysis governance meeting that scrutinises the process to ensure that opportunities to thrombolyse patients are not missed and that thrombolysis practice is safe. During this meeting there is a RCA process to look at any cases where thrombolysis door to needle time exceeds one hour or any cases where the reason to thrombolyse is not clear.

Future plans to improve compliance against the trust targets

With time the increased specialist workforce across medicine and nursing is expected to improve the efficiency of the pathway further and improve the quality of treatment received within the first 72 hours. Weekly meetings, RCA's and the concentration of expertise should lead to a greater proportion of people being eligible for thrombolysis and it will also ensure that all patients who are eligible receive the thrombolysis treatment.

In addition telemedicine will be available very shortly at Heartlands Hospital which will allow the SSN team and consultant on-call to interact with each other more efficiently and effectively.

What is the measure?

2. Direct admission to stroke unit within four hours – target 50%

- Focuses on the hyper-acute to acute phase
- ED performance in rapid stroke assessment and referral
- Hospital capacity and stroke unit capacity
- Bed management and protection

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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.

How is the priority measured?

This measure is reported through best practice tariff (BPT) and nationally through SSNAP.

	Percentage of Patients Directly Admitted to Stroke Unit within 4 hours			
	Q1 14/15 (13/14)	Q2 14/15 (13/14)	Q3 14/15 (13/14)	Q4 14/15 (13/14)
Heartlands (BHH)	56.4% (44.4%)	53.8% (68.4%)	56.6% (64.2%)	57.9% (73.1%)
Good Hope (GHH)	50.0% (40.8%)	48.8% (58.4%)	39.5% (37.5%)	24.5% (46.6%)
Solihull (SH)	21.4% (18.7%)	35.5% (29.5%)	20.7% (38.3%)	31.6% (44.2%)
Trust	47.5% (35.4%)	49.3% (52.7%)	48.4% (44.8%)	48.2% (58.2%)

Performance for this measure is quite variable. Attendance in the ED and capacity throughout the three sites remains very challenging and this has a large impact on direct admissions. The stroke bed capacity on all three sites is sufficient, but some of these beds are occupied for long periods by non-stroke patients. At times this can make it difficult for patients to move through the ED into a stroke bed within four hours.

Solihull Hospital site performance is poor, however there are unique issues with the ED located in an acute medical unit (AMU) which affects the urgency to move to a stroke specific bed and is likely to distort these figures.

This measure is monitored closely by the performance department and reviewed bimonthly at the stroke sub-directorate meeting. In validating the data for this year's quality account, some data quality issues have been identified and the final percentages for the year 2013-14 have been corrected and now show an improved performance on what we reported previously.

What have we done to improve?

With the reconfiguration of hyper-acute services to Heartlands Hospital nearly all of the direct admissions are now on this site. Heartlands Hospital is currently the best performing site and the performance of Good Hope and Solihull Hospital will improve as they need to directly admit very few patients. The new designated HASU has increased capacity in real terms from 12 beds across the three sites to 16 beds at Heartlands Hospital and this has improved the ability to admit directly to a stroke bed.

The SSN team and medical bleep holder at Heartlands Hospital 24/7 provides support for the ED and attempts to ensure an efficient patient pathway. The new stroke repatriation policy has helped to ensure timely repatriation to the ASUs which has improved the access to HASU beds. Heartlands Hospital has maintained performance above 50% during an incredibly difficult period in terms of overall bed capacity.

Future plans to improve compliance against the trust targets

There is a need to further improve the protection of HASU beds from non-stroke patients to ensure consistent and rapid access for emergency stroke admissions.

We are also in the process of separating stroke on the three sites into a single directorate. One of the intentions of this will be to ensure a consistent and efficient approach to the management of stroke beds across the trust.

What is the measure?

3. Swallow assessment for stroke patients within four hours – target Q1 84% Q2 86% Q3 88% Q4 90%

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

How is the priority measured?

This measure is part of our contracts and is reported as a key performance indicator (KPI) to the commissioners. It is also measured nationally through SSNAP.

	Percentage of Stroke Patients with a Swallow Assessment Completed within 4 hours			
	Q1 14/15 (13/14)	Q2 14/15 (13/14)	Q3 14/15 (13/14)	Q4 14/15 (13/14)
Heartlands (BHH)	86.0% (47.8%)	94.3% (61.4%)	93.5% (72.7%)	94.2% (83.8%)
Good Hope (GHH)	65.1% (73.9%)	82.9% (84.9%)	87.3% (75.0%)	72.1% (59.3%)
Solihull (SH)	72.7% (65.1%)	72.4% (64.4%)	46.4% (78.2%)	38.5% (81.0%)
Trust	75.1% (63.2%)	86.4% (74.2%)	85.0% (75.6%)	84.4% (75.5%)

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 nurse.

The hyper acute stroke services transferred from Solihull to Heartlands Hospital during Q3 and this explains why the performance was significantly worse at Solihull Hospital during this quarter. The majority of the patients admitted initially to Solihull Hospital were not suspected to have had a stroke otherwise they would have been admitted directly to Heartlands Hospital. Patients who are not

diagnosed as stroke initially will not have a routine swallow screen unless they are observed to have swallowing difficulties; however they are included in the numbers.

This measure is monitored closely by the performance department and reviewed bimonthly at the stroke sub-directorate meeting.

What have we done to improve?

With the reconfiguration of hyper acute services to Heartlands Hospital nearly all of the swallow screens will be required on this site. At Heartlands Hospital there is a Stroke Specialist Nurse (SSN) team responding within 5 minutes to a stroke alert 24/7 and they are trained to perform the swallow screen. Heartlands Hospital is currently the best performing site and consistently achieves in excess of 90%.

Future plans to improve compliance against the trust targets

Many of the swallow screens that fail are patients who suffer their stroke while in hospital and there is often a delay before they receive the necessary specialist input. Although this is a national phenomenon, we have started to improve this situation within the trust through a variety of training sessions aimed at increasing staff knowledge of stroke and emphasising the importance of early interventions.

What is the measure?

4. 90% of Stay Spent in a Stroke Unit – target 80% of patients

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

How is the priority measured?

This measure is part of our contracts and is reported as a KPI to the commissioners. It is also measured nationally through SSNAP.

Capacity throughout the 3 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 14/15 (13/14)	Q2 14/15 (13/14)	Q3 14/15 (13/14)	Q4 14/15 (13/14)
Heartlands (BHH)	84.9%	84.9%	88.0%	93.5% (86.0%)
Good Hope (GHH)	79.8%	76.5%	77.1%	84.4% (78.4%)
Solihull (SH)	81.8%	82.9%	65.4%	85.0% (79.6%)
Trust	82.4%	81.5%	80.0%	89.6% (82.2%)

This is closely 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. As previously discussed the trust is underperforming on direct admission to a stroke unit and this will reduce the figures above. Heartlands Hospital is performing well and we have managed to maintain performance as a trust above the target despite an incredibly difficult period in terms of overall bed capacity.

This measure is monitored closely by the performance department and reviewed bimonthly at the stroke sub-directorate meeting.

What have we done to improve?

All three sites are aware of the importance of flow from HASU to ASU and looking after stroke patients at all stages of the pathway in stroke specific beds. The new stroke repatriation policy has helped to ensure timely repatriation to the ASUs which has improved the access to HASU beds for emergency stroke admissions.

There have been many initiatives to improve patient flow and facilitate discharge for all patients. Engagement with both social services and community health services in addition to a strengthened enhanced supportive discharge team has helped to reduce the length of stay across the trust for stroke patients. All this work has improved access to stroke specific beds and ensured that the performance has been maintained.

Future plans to improve compliance against the trust targets

As already stated this measure is very closely linked to the four hour admission standard and plans to make improvements in that area will directly improve performance for this indicator too.

The bed model as part of the trust reconfiguration will mean there is enough capacity to deal with demand. This has been calculated and is sufficient to not only allow front door access, but also to allow stroke patients to be looked after by stroke specialist teams throughout their hospital stay. It is important to continue the good work that has been done already working closely with both social services and community health services to maintain good flow of patients through the stroke pathway.

As previously mentioned when the trust completes the process of separating stroke on the three sites into a single directorate this will facilitate an improvement in the management of stroke beds across the trust.

Priority 6: Dementia Care

What is the measure?

There has been a change in measurement standards for this year's submission, namely;

- S2: Every patient with newly diagnosed dementia to have communication with primary care teams (changed from every patient with potential dementia to have communication with primary care teams).
- S3: 'About me' tool in nursing notes to be completed by family / carer for every patient with known or newly diagnosed dementia (changed from joint elderly care medicine and old age psychiatry expertise to be routinely available on all three sites for older people in need).

After review of the quality account by the dementia strategy steering group the consensus was that the current account would no longer reflect quality of care and therefore changes were made to what was being measured. It was acknowledged that the standards chosen reflected the initial phases of introducing good dementia care. The trust strategy has moved on and these measures will be met as a default. It was therefore felt appropriate to change the standards to better reflect care quality. The changes, particularly the new standard three, involve measuring activities known to improve dementia care.

Standard	Previous Position	Current Position	Future Aims
S1: Every unplanned admission for a patient aged over 75 to result in querying dementia as a known diagnosis within 72 hours following admission Target 90%	In March of 2014, the percentage of all patients aged over 75 years who had been screened following admission to hospital using the dementia screening tool was 69.5%.	Currently, trust performance is 92%. There are a variety of factors responsible for this, including increased focus on the four hour ED targets. A daily report is generated for all site leads who are individually managing this and we expect to consistently achieve 90% and above in the very near future.	Continuation of work with the faculty of education so that all staffs understand the importance of this work in the provision of quality care for patients. Further development of ward based metrics system for ward management Improve the use of IT systems
S2: Every patient with newly diagnosed dementia to have communication with primary care teams Target 100%	Standardised advice being given on how to communicate this. It was identified that further work was needed to develop robust data to measure compliance with this target.	All newly diagnosed patients have communication via the electronic discharge letter to GPs or the mental health computer system (RIO)	Integrate local IT system so information collected or patients with dementia or suspected dementia is automatically passed to primary care RIO performance at Solihull to be improved by appointment of new consultant psychogeriatrician for the rapid assessment interface and discharge team in March
S3: 'About me' tool in nursing notes to be completed by family / carer for every patient with known or newly diagnosed dementia	Sporadic performance mainly driven by relatives and pockets of good practice	Our standardised document has been developed along with community partners, the Alzheimers society and Alzheimers UK. This is currently being piloted and will be released trust wide in the next one to two months	The 'About Me' document will be available from the same IT source as staff currently use for the dementia assessment for Standard 1.

How is this priority measured?

S1: Every unplanned admission for a patient aged over 75 to result in querying dementia as a known diagnosis within 72 hours following admission is measured by a dashboard that is able to drill down to specific patient / consultant level for highlighting off track areas. The target is 90% and the current performance is 90%. This has significantly improved since this was made mandatory. This data is discussed at the monthly dementia trust steering group meeting.

S2: Every patient with newly diagnosed dementia to have communication with primary care teams is measured by the presence of printed communication in the electronic record. This is hard to measure and relies on retrospective searching of data but shows a position above 90% at present. Future IT developments will make this easier and allow for real-time data.

S3: Once the tool is launched fully it will be possible to review the electronic records of all admitted patients and ensure 'about me' forms part of this.

What have we done to improve?

Since the last statement, what we feel to be the most comprehensive 'About Me' tool has been developed and is currently being piloted. All general surgical groups have had a presentation from the trust dementia lead at their meetings and the response has been positive. Communication of trust achievements around dementia has been improved by input from the communications team. Governor scrutiny has been invited, including an open presentation and a planned meeting with Governors and the Chairman. Carers and patients now have direct input into the strategy group via a dementia educator.

Future plans to improve compliance against the trust targets

- 'About Me' to be launched trust-wide
- Improved IT links to make dementia tools more user-friendly and linked
- Improved IT data capture to produce real time data
- Further dementia and delirium education, with the development of a five credit masters level module (final testing March 2015)

Priority 7: Discharge Arrangements

What is the measure?

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

How is the priority measured?

Discharge arrangements are currently measured through the patient experience metrics relating to a patient knowing when they are going home.

What have we done to improve?

A length of stay (LOS) reduction project has commenced on all three sites, with particular focus on re-embedding SAFER and the use of JONAH. Project leads have been identified with a focus on 60-100 beds /site. There will be a rolling programme until all wards are involved.

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.

Future plans to improve compliance against the trust targets

We are aiming to increase the patient experience metrics relating to patients knowing when they are going home.

A significant amount of work has taken place on all three sites following a decrease in performance in quarter two, which has resulted in all sites now achieving over 80% of patients being spoken to about expected date of discharge. This was achieved by the use of SAFER, daily board rounds and planned discharges for the following day, robust site meetings where discharges later in the week are discussed and planned as well as increased engagement from clinicians and community teams.

A discharge hub is now in place on all three sites, where complex discharges are discussed and planned with the multidisciplinary team as well as the patient and their family. This has had a positive impact on the patient and family experience.

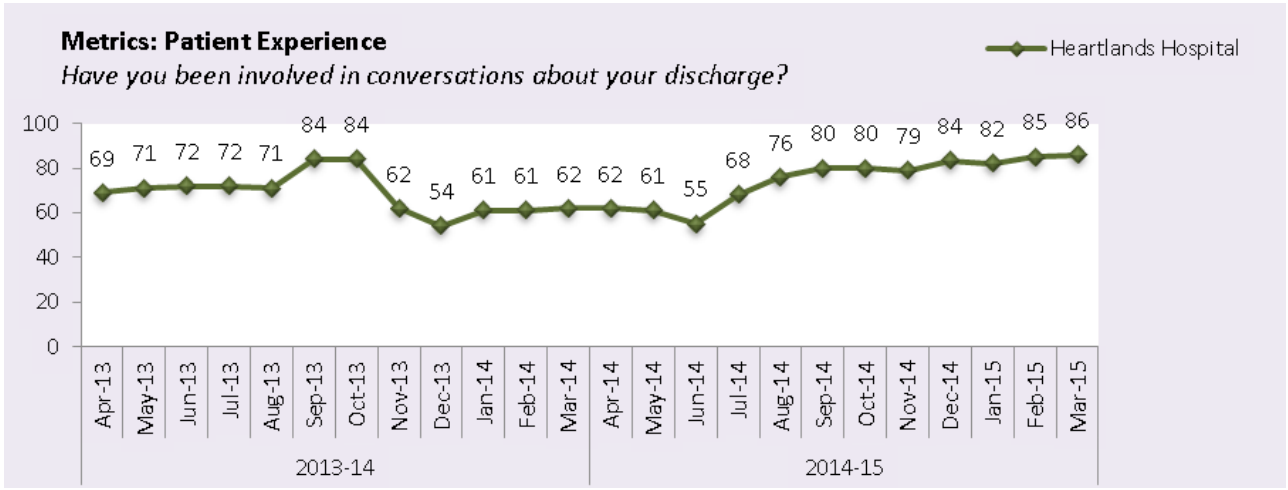
However, we have changed the way in which this data is collected and there are now five questions on the reverse of the Friends & Family Test cards, one of which relates to discharge planning. This is instead of patients being asked directly. This has changed the percentage of respondents and further work is needed to embed this process and we will continue to monitor this. The results are shown in the table overleaf.

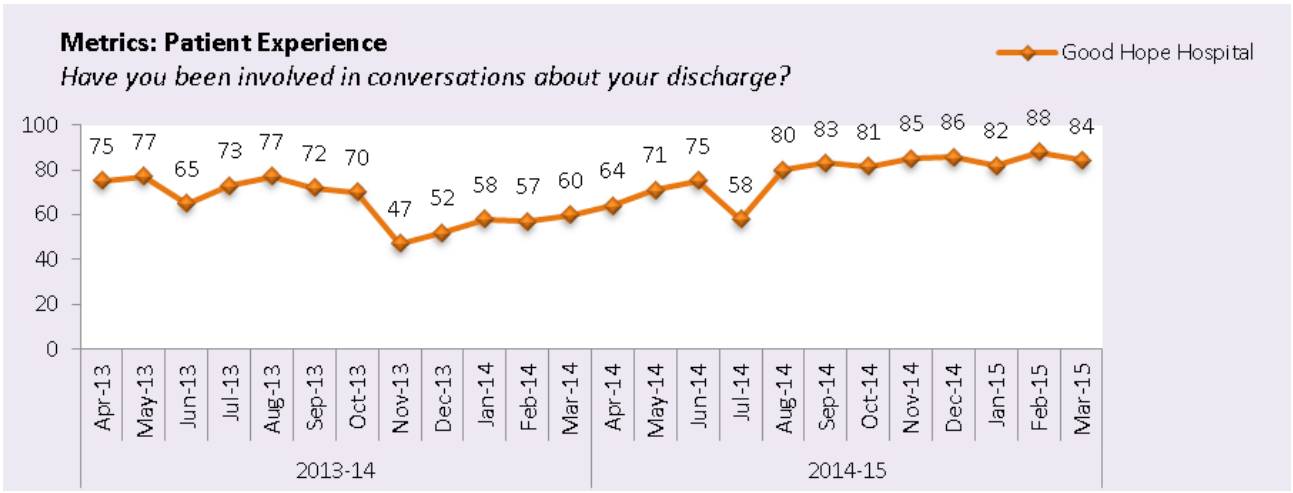
Ticket Home is being developed & piloted on Wards 9 and 14 at Good Hope Hospital site May 2015. This has had involvement from patients and carers about what they would like to see on the ticket home. This aims to inform the patient and carer/family about all aspects of their discharge, from the time of admission.

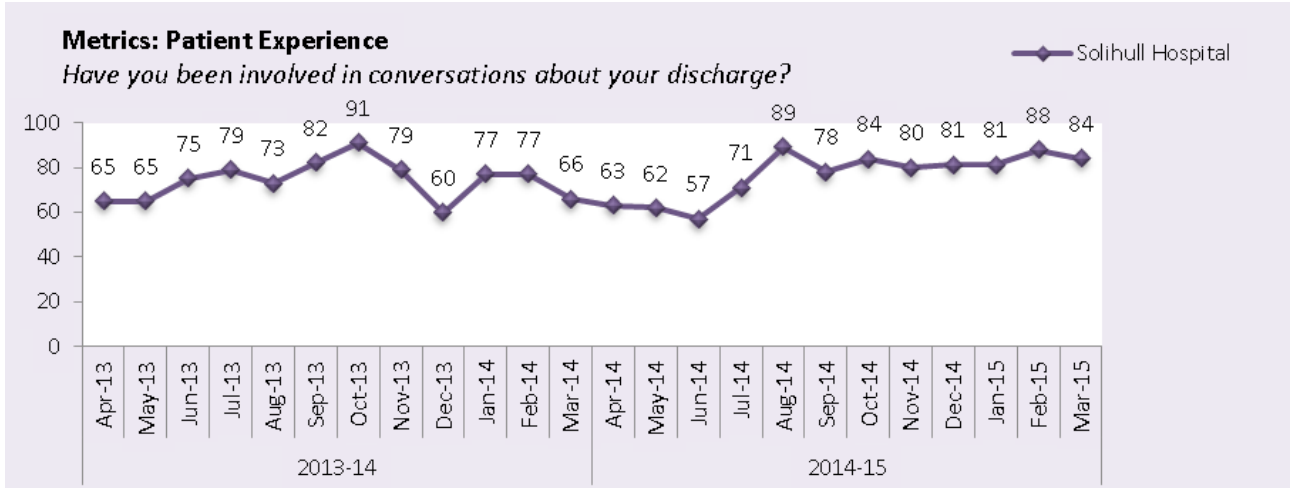
[3]Safe care means not keeping patients in hospital any longer beyond the acute phase of their illness/surgical recovery. To enable teams to progress safe, timely care the trust has established the SAFER flow bundle, this means:

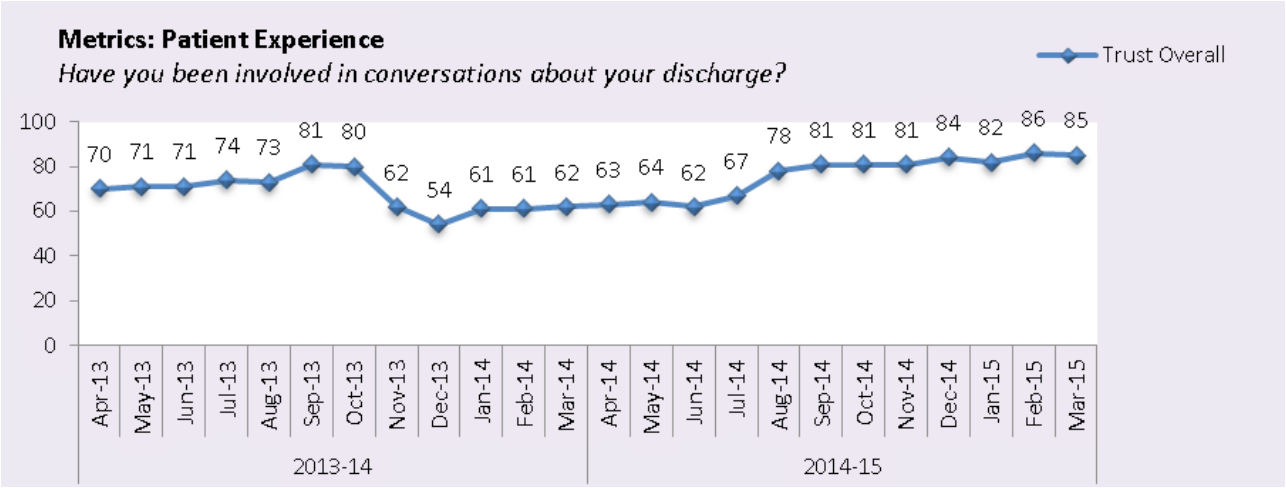
Senior Review: Consultant will conduct a daily ward round;
All: All patients will have a PDD (planned date for discharge) agreed within 24 hours of admission;
Flow: All wards should have capacity to "pull" a minimum of 1 patient from the assessment areas by 9am;
Early discharge: Wards teams should ensure 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.

Patient Experience Question: Have you been involved in conversations about your discharge from hospital?









The scoring model used above allows us to summarise and compare the results of any survey question to monitor our performance. Questions in the survey have varying numbers of response options, and it is difficult to evaluate and compare different combinations of response. Each question's multiple response options are summarised by a single number using an explicit weighting system. The single numeric score per question allows direct comparisons, taking account of all answer options.

For example, if the respondent ticks 'yes definitely' we will score one point, if they tick 'yes to some extent' we will score 0.5 point and if they said 'no' we would not score any points. All of the scores are added together and divided by the total number of people who responded to the question. To achieve the maximum score of 100, all the respondents would have to ticked the top answer (yes definitely).

Part 2:

Going forward: Priorities for Quality Improvement 2015-16

The board of directors formally approved the priorities listed below. This was also agreed by the patient experience committee, a sub-committee of the Council of Governors, which includes patient, public and staff governors.

Priorities one, two and four have been carried over from 2014-15 and will continue to be measured in the same way as previously. This is detailed in each section. There will be a regular report to the quality and risk committee regarding all of the priorities.

Priority 1 Reduction of grade two hospital acquired pressure ulcers

Rationale	We are proposing to change the way we look at pressure ulcers, with improvements in quality measures rather than solely measuring prevalence and incidence. We are therefore continuing to measure this as a priority to assess the impact of these changes
Monitoring	Trust quality and risk committee

Priority 2 Reduction of incidence for patients who have multiple falls in hospital

Rationale	This is still the highest reported clinical incident within the trust. We are proposing to change the way we look at pressure ulcers, with improvements in quality measures rather than solely measuring prevalence and incidence. We are therefore continuing to measure this as a priority to assess the impact of these changes
Monitoring	Trust quality and risk committee

Priority 3 Improvement in both response rates and overall scores of friend and family test in the emergency department

Rationale	Addressing the pressures in our ED continues to be a priority for the trust. By monitoring patient experience (via the Friends and Family Test) and acting upon the feedback we receive, we will be able to assess the impact of the wider initiatives within the trust in relation to ED and the urgent care pathway
Monitoring	trust quality and risk committee

Priority 4 An Improvement in response rates to stroke

Rationale	We have decided to continue stroke as a quality priority as we would like to demonstrate the impact of the major redesign that the stroke service has undergone over the past year
Monitoring	trust quality and risk committee

Part 2:

Review of services/statements of assurance from the board

The trust is required to include statements of assurances from the trust board which are nationally requested to give information to the public. These statements are common across all NHS Quality Accounts.

Service income

During the 2014-15 the Heart of England NHS Foundation Trust provided and/or sub-contracted 114 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 2014-15 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 2014-15.

Clinical audit

During 2014-15, 33 national clinical audits and four national confidential enquiries covered relevant health services that Heart of England NHS Foundation Trust provides.

During 2014-15, 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 2014-15 can be found in **Appendix 1.**

The national clinical audits and national confidential enquiries that Heart of England NHS Foundation Trust participated in during 2014-15 are shown in the second column in **Appendix 1.**

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 2014-15, are listed in the third column in **Appendix 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 18 national clinical audits were reviewed by the provider in 2014-15 and Heart of England NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided.

- As part of the National Cardiac Arrest Audit, individualised consultant feedback on 'Do Not Attempt Resuscitation' decisions can now be reviewed. To reduce cardiac arrests further, the trust is participating in NHS Quest quality improvement projects and resuscitation outcomes research
- The National Intermediate Care Audit revealed Solihull Intermediate Care Service had fewer beds or alternatives for patients than the national average. Thus, a supported integrated discharge service at Solihull has been developed, creating a further pathway for up to 500 patients per year. This is being audited and adapted in partnership with Solihull Metropolitan Borough Council and patient satisfaction is being evaluated
- As a result of the National Paediatric Diabetes Audit, the trust is working towards standardising care to improve overall diabetes control across all five sites and has introduced nurse led clinics on separate days from the multi-disciplinary paediatric diabetes clinics, to focus on those children on the high HbA1c pathway
- Following participation in the Falls and Fragility Fractures Audit Programme, the trust continues to review its performance against the Best Practice Tariff standards and address any issues. Poor recording of post-operative dementia at Good Hope Hospital prompted staff training to improve this measure. Time to surgery for fractured neck of femur patients is also monitored and as a result the theatre booking system has been amended at Heartlands Hospital to ensure patients are operated on in a timely fashion
- The Case Mix Programme provides quarterly comparative data which is used to monitor a variety of parameters including delayed discharges, ITU and post ITU mortality and standardised mortality ratios. Outlying data is being investigated on an individual basis
- The National Bowel Cancer Audit results highlighted higher than average readmission rates which prompted a detailed local audit of 90 day readmission rates. This revealed wound infections and chemotherapy complications as the main reasons for readmission which is being addressed
- Following participation in the Sentinel Stroke National Audit Programme (SSNAP), a regular mood screen for stroke patients has been implemented. Concise documentation by stroke nurses has improved data collection and communication between multi-disciplinary teams. A root cause analysis in door to needle time for thrombolysis has halved the time from 90 to 49 minutes. Ward staff have been trained to improve swallow screening within four hours and notices circulated to doctors and wards regarding immediate referral
- The Adult Community Acquired Pneumonia Audit findings, along with a local audit into antibiotic prescribing have highlighted the need to implement antibiotic prescribing protocols for respiratory conditions including community acquired pneumonia. ED staff have also been approached regarding prescribing antibiotics promptly and correctly
- As a result of the Pleural Procedure Audit, monthly chest drain insertion training sessions have been introduced for junior doctors. The trust pleural procedures guideline has also been updated to reflect these changes

The reports of 130 local clinical audits were reviewed by the provider in 2014-15 and Heart of England NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided.

- An audit into the management of women presenting with vaginal bleeding in early pregnancy has resulted in a clerking proforma being developed for ED staff to provide consistency
- The findings from an ED audit into Troponin test requesting highlighted that a proforma document would be beneficial for potential acute coronary syndrome patients and is being developed to improve risk stratification and to ensure appropriate test requesting
- An initial baseline audit into neutropenic sepsis has revealed the need to improve the 'one hour door to needle time' target. To improve this, an ED acute oncology link nurse role has been established, monthly audits and process mapping around breaches has helped to identify pathway delays and is fedback at regular meetings with ED and AMU staff. An urgent care pathway has been developed by acute oncology at Good Hope Hospital and regular induction training is provided for all ED doctors and nurses
- Following an audit into the quality of electronic discharges in thoracic surgery, a change to the

doctors induction training was implemented to highlight that electronic discharge prescriptions need to be completed to a high quality
- The Community Acquired Pneumonia (CAP) Care Bundle audit has resulted in the CAP guideline being rewritten to reflect the new changes in practice. Stickers which detail the CAP care bundle have also been introduced within ED to improve the number of patients who receive antibiotics within 4 hours of admission
- An audit to review gout within rheumatology highlighted that a target serum urate measurement must be documented in GP clinical letters for every gout patient
- Following an audit looking at equivocal results when screening patients for chlamydia and gonorrhoea the guideline was changed to reflect that it is not necessary for patients with equivocal results to be offered treatment and should instead be rescreened
- A regional audit looking at the transfer documentation for HIV patients who are changing care centre has resulted in the development of a local proforma for transfer in/out of care to accompany the latest clinic letter

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 26 departments across the trust currently taking part in research with between one and six research active consultants in each of these areas. During 2014-15 mental health research has become a new area of activity for the trust following the appointment of Professor George Tadros, Consultant in old age liaison psychiatry as an academic research consultant.

The number of patients receiving relevant health services provided or sub-contracted by Heart of England NHS Foundation Trust in 2014-15 that were recruited during that period to participate in research approved by a research ethics committee was 5,729.

Clinical trials remain 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 National Institute for Health Research (NIHR) portfolio. Non-portfolio work is also undertaken and this comprises of commercial clinical trials, student based research or pilot studies for future grant proposals. During 2014-15 patient recruitment was highest in anaesthetics, critical care and resuscitation, diabetes, obstetrics and gynaecology, renal medicine and thoracic surgery. Diabetes, obstetrics and gynaecology renal medicine have been particularly successful this year and have increased their recruitment of patients into the trust's portfolio as follows:

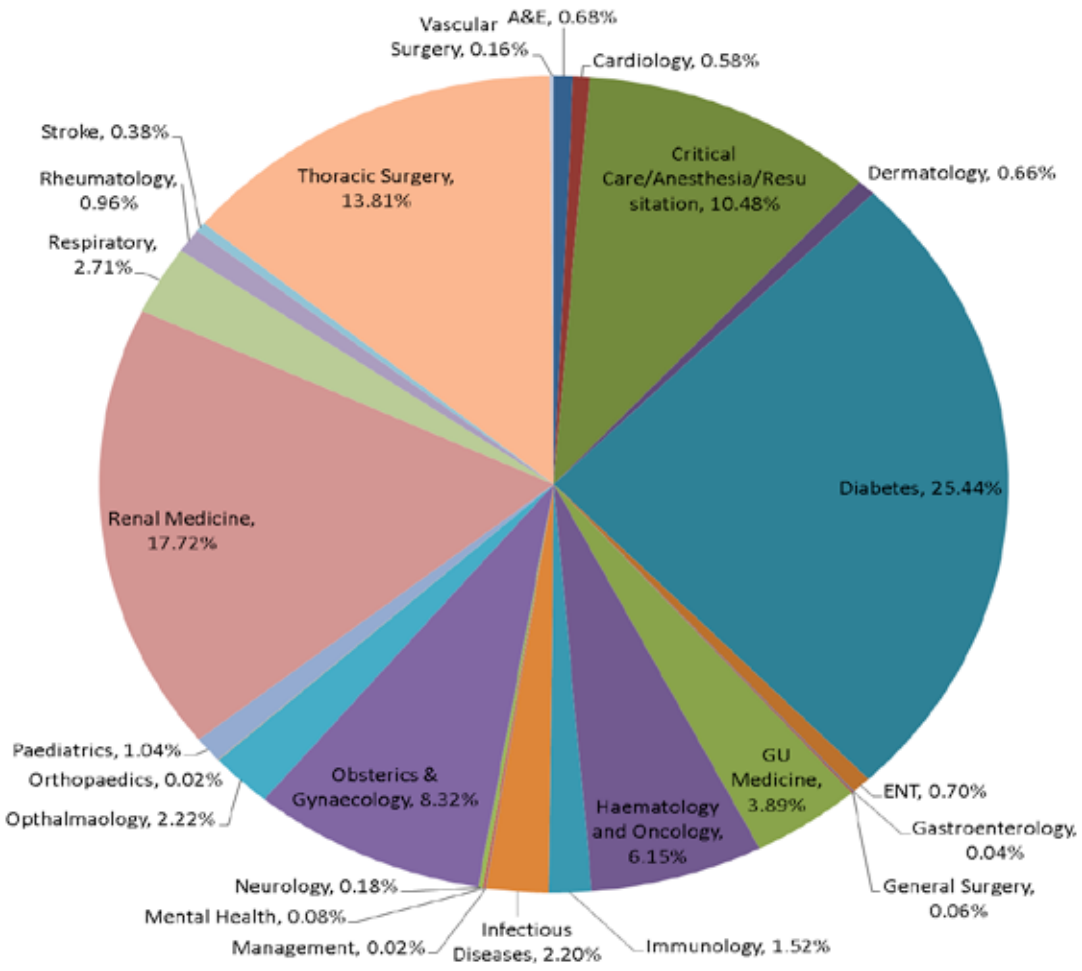
- Diabetes: 25.44% in 2013/14 compared to 14.84% in the previous year
- Obstetrics and gynaecology: 8.32% in 2013-14 compared to 0.55% in the previous year
- Renal medicine: 17.72% in 2013/14 compared to 2.16% in the previous year

The Guardian research table published annually, ranks trusts based on patient recruitment into trials. For an acute trust, we ranked 20/160 in 2013/14. In the previous year we ranked 24/69 for a large acute trust (NB the guardian league tables have not split trusts by size in 2013-14).

The trust's research portfolio by directorate

2014-15 has seen many new researchers lead grant applications and develop new research collaborations both within the trust and with external partners. One new area of research development has been in the area of mental health with a strong focus on dementia research, education and awareness. This has also seen two research fellows, appointed last year, and from different clinical specialities working together to develop new research ideas and developing new researchers from their respective clinical areas. Applications for funding, either led by the trust or with trust co-applicants, continues to be made predominantly to the NIHR funding streams, and for the year 2014-15 totalled in excess of £15.5 million. To date much of this is still awaiting the outcome; with many NIHR funding streams taking in excess of eight months to inform the researchers of the outcome of their application. We have seen an increase in enquiries for advice in the development local projects, which are part of further degrees, from junior doctors, nurses, midwives and allied health professionals.

In addition to clinical trials, the trust hosts academic appointments in partnership with three local universities; Universities of Birmingham and Warwick and Aston University. In 2013-14 new appointments were made with the University of Warwick with the appointment of Professor Ivo Vlaev in behavioural science and health. Prof Vlaev has begun working across the trust to develop research to improve the safety and quality of care for patients. With the University of Birmingham, new appointments have been made in public health, Professor Tom Marshall and Professor Debbie Carrick-Sen as the new Florence Nightingale Chair of Nursing. Professor Marshall is beginning work in the management of chronic diseases and in particular patients with atrial fibrillation and improving the ways in which they are medicated. With the arrival of the chair in nursing work will begin on increasing the number of applications for post-doctoral fellowships. The support and nurturing of the junior doctors, nurses, midwives and allied health professional in developing their research skills and knowledge is essential for the 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.



Following the trust investment in July 2013, we supported the development of NHS consultant fellowships. The three-year Fellowships offer funding for consultants to be bought out of clinical responsibilities, in order to use that part of their schedule as dedicated research time. Four appointments were made to Dr Mark Thomas (renal medicine), Dr Indy DasGupta (renal medicine), Dr Ed Nash (respiratory medicine) and Professor George Tadros (mental health).

Dr Thomas has begun work on his project, funded by the NIHR Research for Patient Benefit funding stream, on developing a system of alerts and to provide outreach to patients with acute kidney injury and to achieve more consistent and more effective interventions in inpatients across the hospital.

Dr DasGupta has begun work on developing a pathway for investigations in patients with resistant hypertension and the use of urine drug assays to check for compliance. A second area of research attached to Dr Dasgupta's fellowship focuses on phosphate binders. These are drugs used to reduce the absorption into the blood of phosphate, which in patients with chronic renal failure can lead to bone pathology and cardiovascular complications. The medications bind phosphate to the gastrointestinal tract, rendering absorption impossible. Dr Dasgupta plans to develop a pragmatic trial to assess the hard outcomes of various phosphate binders available on the market.

Dr Nash has begun work on his project also funded by the NIHR Research for Patient Benefit funding stream, aiming to determine whether home monitoring of patients with cystic fibrosis helps to improve patient outcomes.

Professor Tadros has various projects being developing including finding innovative ways of training and up-skilling staff through an online resource designed to engage and appeal to staff, but provide the knowledge we have identified is often necessary on the front-line to deal effectively with patients with dementia. He has further develops in investigating delirium and understanding and minimising risk in those patients vulnerable to suicidal feelings.

Commissioning for Quality and Innovation (CQUINs)

A proportion of the Heart of England NHS Foundation Trust income in 2014-15 was conditional upon achieving quality improvement and innovation goals agreed between the Heart of England NHS Foundation 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 payment framework.

Further details of the agreed goals for 2014-15 and for the following 12 month period are available by contacting the head of performance at the trust. The CQUIN value within the contract was £11,436,628 of the trust's income in 2014/15 (based on 2.5% of the contract value of £542,587 million). CQUINs encompass the acute, specialised services, community services and public health contracts and include the following CQUINs detailed below. For the contracting year ending March 2014 a sum of approximately £13.1 million was received for CQUINs.

Acute contract

Goal Number	Performance Indicator	HEFT Achievements
1.1a Friends and Families Test (FFT) Implementation of Staff FFT	Demonstrate that staff FFT has been delivered across all staff groups. Reported June 2014	Achieved
1.1b Friends and Families Test Early Implementation	Early Implementation of patient FFT in outpatient and day case departments Implementation by 1st October 2014	Achieved
1.2 Friends and Family Test Increased Response Rate Inpatient Services	Increased response rate in Acute Inpatient Services and ED Inpatient 30% and ED 20% by year end	Achieved
1.3 Friends and Family Test Response Rate in Acute Inpatients	The response rate of 40% to be achieved for Acute Inpatient Services during March 2015	Achieved
2.1 Safety Thermometer Improvement Goal Specification	50% reduction in Pressure Ulcer Prevalence to 2.08 by 31st March 2015	Not achieved although there has been an improvement on last year's outturn with a 14.4% reduction, the 50% reduction target has not been achieved. A tissue viability steering group has been established to further focus on improving performance
3.1 Dementia Find, Assess, Investigate, Refer	Achieve 90% or more for each of the following elements of Dementia Screening Find Assess Investigate Refer	Not achieved The 90% element was achieved for assessments only. Trust IT systems have been updated to facilitate improved data capture, which has led to significantly better performance for this CQUIN compared to 2013/14. Further automation is planned to further improve performance
3.2 Dementia Clinical Leadership	Identify a named Dementia Clinician lead and implement planned training programme by March 2015	Achieved

3.3 Dementia Supporting Carers of People with Dementia	Undertake an audit of carers of people with dementia to test whether they feel supported and report the results to the Trust's Board	Not achieved A 3 month long survey was undertaken instead of an audit. Unfortunately the response rate was extremely poor.
4.1 Safeguarding Learning from Safeguarding Concerns	Ensure that lessons learnt following a safeguarding event, are embedded into safeguarding practice	Achieved
4.2 Safeguarding Children/ Common Assessment Framework for Children	To increase the number of Common/Children Assessment Framework (fCAF) for Children. A total of 100 to be initiated and undertaken throughout 2014-15	midwives and other relevant staff to increase the number of fCAFs undertaken
5.1 Elimination Improved dignity and care for patients	To improve the quality of care and patient experience for patients with short term urinary incontinence	Achieved
5.2 Elimination Reduce Oral Laxative Use	Reduce the use of oral laxatives by encouraging a high fibre diet and fluid intake	Achieved
6.1 Deteriorating Patient – Escalation	Early identification and escalation of deteriorating patient. To include: Observations recorded and repeated at correct frequency Mews calculated and documented correctly Escalation as per policy	Achieved
6.2 Deteriorating Patient – Documentation and Communication of DNACPR	Clear documentation for DNACPR decisions and evidence of clear communication of the DNACPR to the patient and or relative	Achieved
6.3 Deteriorating Patient Improved management of severe sepsis	Where there is a diagnosis of severe sepsis, the sepsis 6 care bundle is used in accordance with protocol	Achieved

7.1 Leadership for Harm Free Care Transparent Care	The Trust publishes information at ward level across all sites with regards to the level of harm free care provided within the defined metrics agreed with commissioners	Achieved
7.2 Leadership for Harm Free Care Improving culture	Board Members to go back to the floor to engage with staff on patient safety concerns. All board members have undertaken at least one floor walk each month	Achieved
8.1 Cancer Survivorship Framework (wellbeing clinic)	Health and wellbeing advice and information is provided to a defined cohort of patients with cancer (breast and colorectal) and their families and carers as appropriate	Achieved
8.2 Cancer Survivorship framework (treatment summaries)	The trust develops and provides treatment summaries for patients with colorectal cancer	Achieved
9 Maternity low risk deliveries	Supporting low risk deliveries for women that are assessed as being low risk within the unified assessment criteria. Evidencing that women deemed low risk re having low risk births at time of delivery	Achieved

Community services contract

Goal Number	Performance Indicator	HEFT Achievements
1.1a Friends and Families Test Implementation of Staff FFT	Rollout of Friends and Family Test across all staff groups as determined by guidance	Achieved
1.1b Friends and Families Test Phased Expansion	Phase expansion of Friends and Family as per agreed service list. Full delivery of the nationally set milestone	Achieved
2.1 Safety Thermometer Reduction in Pressure Ulcers	50% reduction from baseline pressure ulcer prevalence	Not achieved Although there has been an improvement on last year's outturn with a 14.4% reduction, the 50% reduction target has not been achieved. A tissue viability steering group has been established to further focus on improving performance
3.1 Safeguarding Learning from Safeguarding Concerns	Ensure that lessons learnt following a safeguarding event, are embedded into safeguarding practice	Achieved
3.2 Safeguarding Children Common Assessment Framework	To improve the number of fCAFs/right Service Right Time assessments initiated by children's staff. A total of 100 to be initiated and undertaken throughout 2014-15	Not achieved The Safeguarding lead is working with Health Visitors, midwives and other relevant staff to increase the number of fCAFs undertaken
4 Elimination Improving the management of urinary incontinence in inpatients	Improve the quality of care and patient experience for patients with short term urinary incontinence	Achieved
5 Leadership for Harm Free Care Improving culture through board level ownership	Board members go back to the floor to engage with staff on patient safety concerns. Improving culture through board level ownership	Achieved
6 Dementia Champions Improving Care to dementia champions through dementia champions	Improve care to dementia sufferers through dementia champions. Develop and produce the CQUIN for 2015/16 to include the dementia training in community services and how champions will work to signpost patients and carers	Achieved

Specialised services contract

Goal Number	Performance Indicator	HEFT Achievements
1.1a Friends and Families Test (FFT) Implementation of Staff FFT	Demonstrate that staff FFT has been delivered across all staff groups. Reported June 2014	Achieved
1.1b Friends and Families Test Early Implementation	Early Implementation of patient FFT in outpatient and day case departments	Achieved
1.2 Friends and Family Test Increased Response Rate Inpatient Services	Increased Response Rate in Acute Inpatient Services and ED Inpatient 30% and ED 20% by year end	Achieved
1.3 Friends and Family Test Response Rate in Acute Inpatients	The response rate of 40% to be achieved for Acute Inpatient Services during March 2015	Achieved
2.1 Safety Thermometer Improvement Goal Specification	50% reduction in Pressure Ulcer Prevalence	Not achieved Although there has been an improvement on last year's outturn with a 14.4% reduction, the 50% reduction target has not been achieved. A tissue viability steering group has been established to further focus on improving performance
3.1 Dementia Find, Assess, Investigate, Refer	Achieve 90% or more for each of the following elements of Dementia Screening Find Assess Investigate Refer	Not achieved The 90% element was achieved for assessments only. Trust IT systems have been updated to facilitate improved data capture, which has led to significantly better performance for this CQUIN compared to 2013/14. Further automation is planned to further improve performance
3.2 Dementia Clinical Leadership	Named lead clinician and planned training programme implemented	Achieved

3.3 Dementia Supporting Carers of People with Dementia	Monthly audit of carers undertaken and results reported to Trust Board	Not achieved A 3 month long survey was undertaken instead of an audit. Unfortunately the response rate was extremely poor.
4 – A06 Shared Haemodialysis Care Friends and Families	To offer the choice to in-centre and satellite haemodialysis patients to become involved in tasks relating to their dialysis	Achieved
5 – A08 Faecal Incontinence Multidisciplinary Decision Making	Increased use of Multidisciplinary Meetings to support decision making prior to surgery for Faecal Incontinence	Achieved
6 – CB3 Patient Held Records	Encourage the use of patient held records by provider services for long term conditions eg HIV, haemophilia, cancer, infectious diseases and haemoglobinopathy	Achieved
7 – CB10 Investment in HIV IT	Development of HIV IT system to support implementation of ARV procurement programme	Achieved
Quality Dashboards	Quarterly submission of Clinical Dashboards for Specialised Services for the following: Cardiology Cystic Fibrosis Adult BMT (Bone Marrow Transplant) Neo Natal Intensive Care Unit (NICU)	Achieved

Care Quality Commission

Heart of England NHS Foundation Trust is required to register with the Care Quality Commission and its current registration status is registered with seven compliance actions. Heart of England NHS Foundation Trust has the following conditions on registration:

Regulation 10	There was a lack of robust incident reporting feedback which could result in learning opportunities being lost; management of patient handover and timely assessments in ED; service delivery and improvement in outpatients with the use of management reporting data
Regulation 12	Within ED cleaning practices needed to improve. Within the trust, staff were not adhering to trust policy
Regulation 13	Where emergency medications were required within maternity they were not readily available, staff were unaware of its whereabouts and they had not been checked regularly to ensure that they were still in date and safe to use
Regulation 16	Lack of equipment and faulty equipment not being replaced in a timely fashion
Regulation 23	The appraisal rate for staff within the trust was 38%. This rate had the potential to impact on the level of care patients received. Managers also lost the opportunity to support staff and identify areas where additional support was required. In addition the visibility of the head of midwifery continues to be an issue as identified during the previous inspection in November 2013.
Regulation 11	Safeguarding processes were not in place for people wearing mittens in the trust
Regulation 22	Nursing staffing was insufficient in places having a direct impact on patients. For instance not being able to staff the second obstetrics theatre in maternity

(Note: the table above outlines the draft recommendations – prior to factual accuracy sign off by the Trust)

The Care Quality Commission has not taken enforcement action against Heart of England NHS Foundation trust during 2014-15.

The trust was subject to an unannounced inspection in December 2014. The outcome of this review (included in the draft report) was summarised as follows:

Safe – Requires Improvement
Responsive – Requirement Improvement
Well-led – Requires Improvement

The Effective and Caring domains were not assessed during this inspection

The CQC key findings are outlined as follows:

- Widespread learning from incidents needs to be improved
- Appraisal rates need to be improved
- Staff sickness and attrition rates were impacting negatively on existing staff
- Poor patient flow mainly at BHH and GHH was having negative impacts across the core areas that were inspected
- Referral to treatment times were not always met
- Discharge arrangements required improvement
- The care of deteriorating patients was generally managed well
- Arrangements for patients with reduced cognitive function was not always managed well
- The culture within the trust was one of uncertainty due to the number of changes which had occurred
- Staff could not communicate the Trust vision or strategy
- Governance arrangements needed to be strengthened to ensure more effective delivery
- IT reporting needed to be improved

At the time of writing this Quality Account the CQC draft report is still undergoing factual accuracy checks with the trust and CQC. An action plan to address issues identified in the report will be developed and monitored by the executive team and the trust quality & risk committee. Actions are already being delivered as part of the Integrated Improvement Plan to address many of the issues raised including: developing and communicating the trust strategic vision; governance arrangements; urgent care; culture and leadership and IM&T.

Heart of England NHS Foundation Trust has participated in special reviews or investigations by the Care Quality Commission relating to the following areas during 2014-15: maternity services.

Heart of England NHS Foundation Trust intends to take the following action to address the conclusions or requirements reported by the Care Quality Commission:

Review the maternity documentation to ensure that it adequately reflects significant chronological events and social risk factors; Ensure that routine inquiry in relation to domestic abuse is utilised in line with current policy and best practice guidance; review the personalisation of birth plans to ensure they are tailored to the needs of the individual; ensure that mechanisms are in place to monitor the attendance and provision at case conferences by midwives. In relation to emergency department: Ensure compliance with the safeguarding specific element of ED assessment; ensure that 16-18 year olds are reviewed using appropriate documentation which takes into account their legal status as a child; review the fitness of purpose of the discharge information from EDs to GPs to ensure it fully reflects risks identified; ensure that conversations with social workers in MASH are recorded in the ED assessment documentation; ensure a flagging system operates in the ED to makes staff aware of children subject to Child Protection or Child in Need Plans; Ensure that the training requirements for staff are developed in line with intercollegiate guidance; ensure that supervision is documented in records

Heart of England NHS Foundation Trust has made the following progress by 31st March 2015 in taking such action:

The trust has implemented a new electronic recording system in maternity services which enhances assessment and chronology formation. The trust has an audit programme continuously reviewing compliance with routine inquiry policy guidance and has delivered additional training to midwives about these requirements; the trust is monitoring attendance of midwives at case conferences and their provision of reports; the trust has a supervision policy outlining recording requirements, an education and development policy, based on intercollegiate guidance and making training requirements clear for all our staff. The trust has an electronic flagging policy and currently flags children subject to Child Protection Plans and those children referred by our staff to social care. The trust is working with partners on the implementation on the national CP-IS system; The Trust is enforcing compliance with existing documentation requirements and simultaneously re-designing ED assessment paperwork, and ensuring that this will be utilised for all children up to the age of18. The discharge information is under review and all relevant staff have received detailed feedback in relation to the CQC findings including what must be included in discharge summaries. The trust has submitted supporting evidence to the CQC via the CCG supporting progress to date and will undergo assurance visit/ visits from CCG staff in the near future to evaluate the implementation of changes to date.

Solihull CCG has also carried out several quality visits throughout the trust over the previous year which includes:

Solihull Hospital:
- Ward 17 – May 2014 (Falls spot check)
- Ward 20a – May 2014 (Falls spot check)
- Whole site – June 14 (Hard truths workforce)
- Cardiology rehabilitation gym – October 2014 (ongoing assurance)
- Acute medical unit – January 2015 (Patient experience)
- Ward 18 – January 2015 (Patient experience)
- Arden Lea – February 2015 (Patient experience)

Good Hope Hospital:
- Ward 16 – June 2014 (Falls spot check)
- Cedarwood – 2 visits July 2014 (Review of compliance with quality standards of care)
- Ward 8 – September 2014 (Falls)
- Ward 8 and Ward 16 – March 2015 (Patient experience)

Heartlands Hospital
- Ward 24 – May 2014 (Falls spot check)
- Ward 8 – September 2014 (Patient experience and dementia)
- Ward 8 – March 2015 (Fundamentals of care)

Action plans following these visits are monitored by the individual sites.

Data quality

The Heart of England NHS Foundation Trust submitted records during 2014-2015 to the Secondary Uses service for inclusion in the Hospital Episode Statistics which are included in the latest published data. The percentage of records in the published data which included the patient's valid NHS number was:

Valid NHS Number	%
Admitted patient Care	99.66
Outpatient Care	99.86
Emergency Care	98.27

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

Valid NHS Number	%
Admitted patient Care	99.90
Outpatient Care	100
Emergency Care	99.71

Information governance toolkit

Heart of England NHS Foundation trust information governance assessment report overall score for 2014-15 was 68% and was graded green.

Details of the Level 2 information governance incidents are outlined in the Annual Report.

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. The audit took place in April 2015 with the final report and result unavailable until June 2015.

Taken from the trusts internal information governance audit (and not undertaken by Capita under the Audit Commission Framework), the coding error rate for diagnoses and treatment coding (clinical coding) was:

	% procedures coded incorrectly		% diagnoses coded incorrectly	
	Primary	Secondary	Primary	Secondary
Overall	8.9	9.7	8.9	8.5

The audit touched on almost all specialties and covered 20 of the trust's coders across all sites. In total 950 Finished Consultant Episodes (FCEs) were audited, selected at random by the trust information team from our data submissions. The results should not be extrapolated further than the actual sample audited.

Improvement of data quality

Heart of England NHS Foundation Trust will be taking the following actions to improve data quality:

- A suite of data quality (DQ) indicators form part of monthly directorate reports and are 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 two hours for admissions, discharges & transfers (ADT) have been set up with links on the DQ sharepoint site for use by all operational inpatient areas. A monthly DQ 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 Performance Committee
- A data quality strategy and data quality steering committeee are currently being developed this committee will focus on areas of concern requiring improvement in data quality
- The trust employs a team of data quality staff within the finance performance directorate who raise the importance of good data quality and also participates in the training of staff as it relates to data quality for the use of the trust's main systems

National quality indicators

A national core set of quality indicators has been jointly proposed by the Department of Health and Monitor for inclusion in trust quality reports from 2012-13. The data source for all the indicators is the Health and Social Care Information Centre (HSCIC) which has only published data for part of 2014/15 for some of the indicators. The trust's performance for the applicable quality indicators is shown in **Appendix 2** for the latest time periods available. Further information about these indicators can be found on the HSCIC website: www.hscic.gov.uk

Part 3:

Other information

Below is an overview of some of the quality of care initiatives offered by the trust against indicators originally chosen by the executive management board because of their importance regarding patient care. An update on the progress to embed these indicators is included below.

These are:

Patient Safety Indicators:	Medication safety Improving recognition and management of deteriorating patients (new) Infection control
Clinical Effectiveness Indicators:	Incident reporting, management and learning Serious incidents and never events Morbidity and mortality
Patient Experience Indicators:	Inpatient satisfaction Friends and family test Complaints

One of the patient safety indicators has been changed from that reported in 2013-14, from cumulative balance to deteriorating patients. This is to reflect trends in incidents and concerns that have been raised and also maps in with priorities agreed with our collaborative and regional partners.

Where applicable, these are governed by standard national definitions.

Patient safety

Medication Safety

In 2013 improving medication safety, by reducing avoidable harm from missed and delayed doses, was identified as a trust safety priority. Antibiotics were agreed as the first medication priority as:

- There is considerable evidence to show that prompt delivery of antibiotics reduces harm
- Trust data suggested that the scale of the impact (with approximately 75 STAT (immediate) antibiotic doses prescribed each day at the trust) could be significant

During 2014-15 the antibiotic safety team have rolled out the antibiotic dashboard across all three hospital sites. The dashboard shows staff how wards or departments are performing in two key areas:

- Compliance with one hour target of STAT antibiotic administration
- Compliance with 100% target for all antibiotic prescriptions to have a STOP date

Figure 1: STOP DATES compliance before the dashboard – 1st November 2013 to 31st December 2013

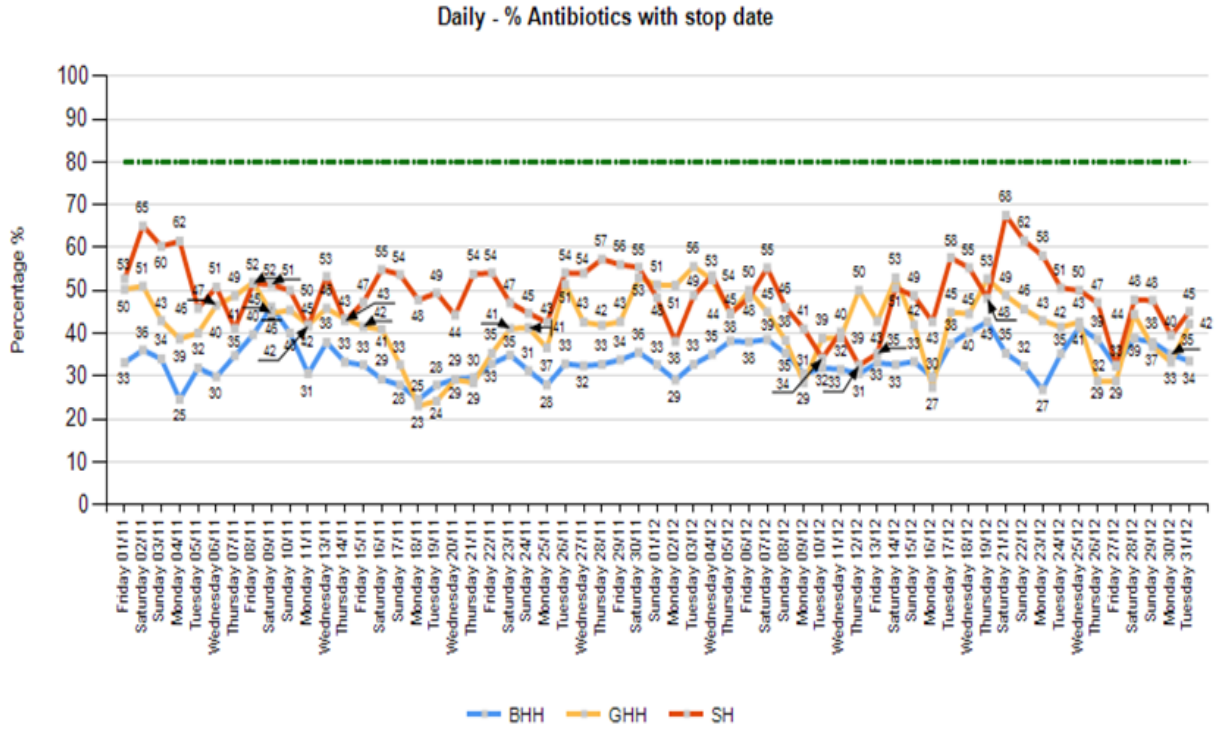
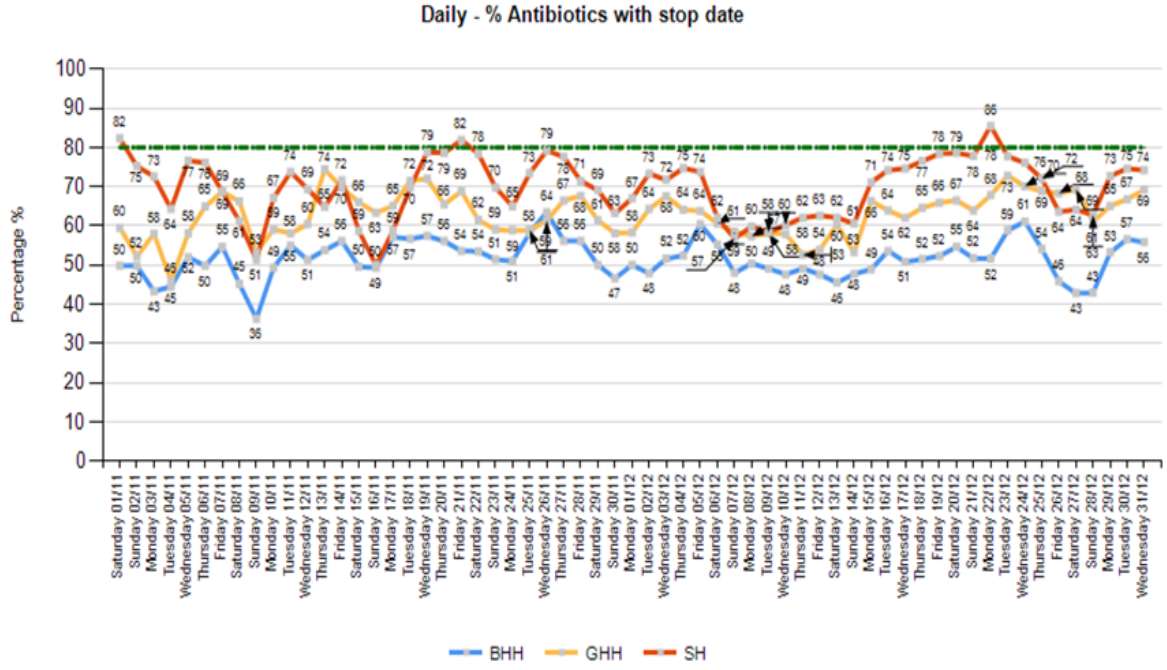


Figure 2: STOP DATES compliance one year on – 1st November 2014 to 31st December 2014



The figures above compare compliance with one of these key areas, compliance with STOP dates, before and after the dashboard was introduced and clearly illustrate a trust-wide improvement.

A Key Performance Indicator (KPI) has been agreed in relation to STOP dates, in line with overall safety strategy to reduce antibiotic resistance.

Since January 2014 the dashboard has undergone further refinements including the development of a 'LIVE' tab. The LIVE tab has enabled targeted work with acute admission areas which prescribe the largest proportion of STAT doses in the trust.

A novel 'real time' STAT IV antibiotic bleep is being piloted in AMU areas which provides a simple prompt to alert nursing staff when an IV STAT dose has been prescribed.

The aim is that this simple solution will overcome known problems with communication about STAT doses as well as build resilience into the system.

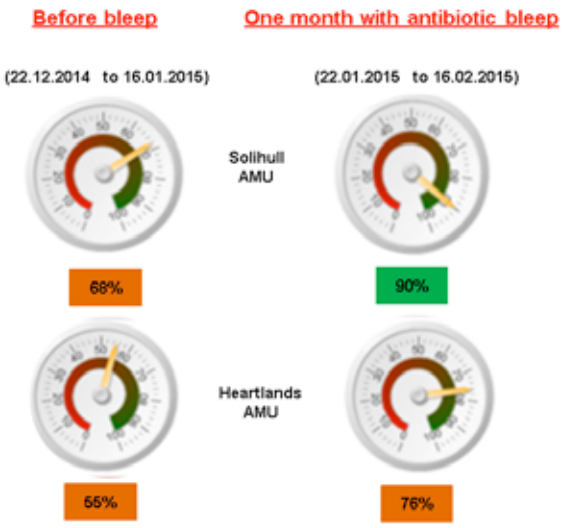


figure 3: Compliance with one hour target before and after introduction of antibiotic bleep

Although the bleep trial is in its infancy, positive clinician feedback and site performance, illustrated below indicates that the bleep is a useful technological intervention to support sustained improvement.

Educational resources to support antibiotic safety

- **Antibiotic safety video:** The antibiotic safety team have developed an educational video, showcasing the antibiotic dashboard, which is being used in trust-wide educational programmes. The video has generated interest from JAC, the trust's electronic prescribing system provider who have uploaded it onto the customer portal as an exemplar of good practice to demonstrate to other trusts how electronic prescribing system data can be used to drive safety improvements.

- **Lesson of the month:** A lesson of the month has been launched reminding staff of the importance of prompt STAT antibiotic administration and outlining responsibilities of prescribers, administrators and ward based pharmacy staff. From February 2015 wards will be monitored against the target of 80% STAT IV antibiotic administrations in the new ward performance framework.

- **Recognition of success:** The success of the antibiotic safety project has been acknowledged both internally and externally. The antibiotic safety team won the trust Patient Safety Award at the 2014 staff recognition awards the team; they were also shortlisted as a finalist for the National Safety and Care awards 2014.

Regional Safety Collaborative

We have also recently joined the West Midland Patient Safety Collaborative hosted by the West Midland Academic Health Science Network (WMASN). The aims are to improve safety and continually reduce avoidable harm by supporting organisations in working together to develop, implement, share and spread proven safety interventions that are based on rigorous, evidence-based scientific methodologies. They are working on a number of region wide projects which the trust will contribute to and these include:

- A review of SCRIPT training for foundation doctors
- Development of electronic prescribing SPACE (Sharing Practice and Continuing Education) website for non-medical prescribers
- Improvements to the implementation of the 'Green Bag Scheme' to help patients to bring medicines into hospital and support transfer between wards and on discharge

We have also proposed a new project to the WMASN for consideration: the standardisation of cardiac arrest/ emergency boxes across the region following local anaphylaxis improvement work.

Improving recognition and management of deteriorating patients

Improving the recognition and management of deteriorating patients remains a trust priority and in February 2014 the trust deteriorating patient recognition group (DPRG) was reconvened. This is a new indicator in the quality account and therefore previous data is not available. This group monitors and co-ordinates activity aimed at improving recognition and management of deteriorating patients. A number of work streams are underway. These include:

NHS QUEST

In March 2014 the trust was invited to become a member of NHS QUEST. NHS QUEST is a new model of collaborative working that is breaking down traditional boundaries and focusing on networking like-minded organisations across England around a set of shared ambitions with a strategic focus on improving safety and quality. Clinical engagement, use of quality improvement (QI) methodologies and adoption of sustainability model are core features of the QUEST approach.

For year one, the priorities that the QUEST members have agreed to work on are:

- Improved compliance with severe sepsis bundle
- Reduction in cardiac arrest rates

These priorities are in line with trust safety strategy and it is anticipated that being an active member of this collaborative will facilitate improvements with recognition and management of deteriorating patients. Pilot areas for improvement include:

- Early identification and escalation of deteriorating patient
- Documentation and communication of DNACPR (Do Not Attempt Cardiopulmonary Resuscitation)
- Improving compliance with sepsis six bundle

Sepsis: Work has started with acute medicine assessment and surgical assessment units; a revised sepsis screening tool has been developed and is being piloted and refined. This tool has been aligned to the revised National guidelines for recognition and management of severe sepsis. Engagement with front line clinicians is key to the success of these projects and staff are piloting new 'innovative' solutions such use of a designated sepsis trolley and use of an automated bleep system to improve antibiotic delivery.

Surgical escalation cards: In June 2014 the surgical directorate developed and rolled out a surgical escalation prompt cards. The cards provide guidance and support staff within surgical teams in the escalation of deteriorating surgical patients.

Winter poster campaign: During January 2015 a deteriorating patient winter poster campaign was launched. This was a priority identified by DPRG and also in response to a series of serious untoward incidents (SUI) relating to deteriorating patients.

This campaign was aimed at educating and supporting staff to 'do the right thing' and the response from front line staff to the campaign has been extremely positive.

Initially the campaign was aimed at general wards, however, interest spread to other specialist areas (e.g. paediatrics and maternity) who have asked if they can adapt the posters for their areas

Deteriorating patient and eObs project posts: In January 2015 we appointed a deteriorating patient CQUIN project nurse to lead improvement work associated with the local deteriorating patient CQUIN. In addition to this a clinical project lead for electronic observations has also been appointed.

Infection control

This year a trajectory of zero post 48 hour MRSA bacteraemias was set. One has been recorded and this was deemed to be avoidable. It had been 383 days since the previous MRSA bacteraemia within the trust. There have been no MRSA bacteraemias at Solihull Hospital for over three years. The trust acknowledges that improvements can still be made.

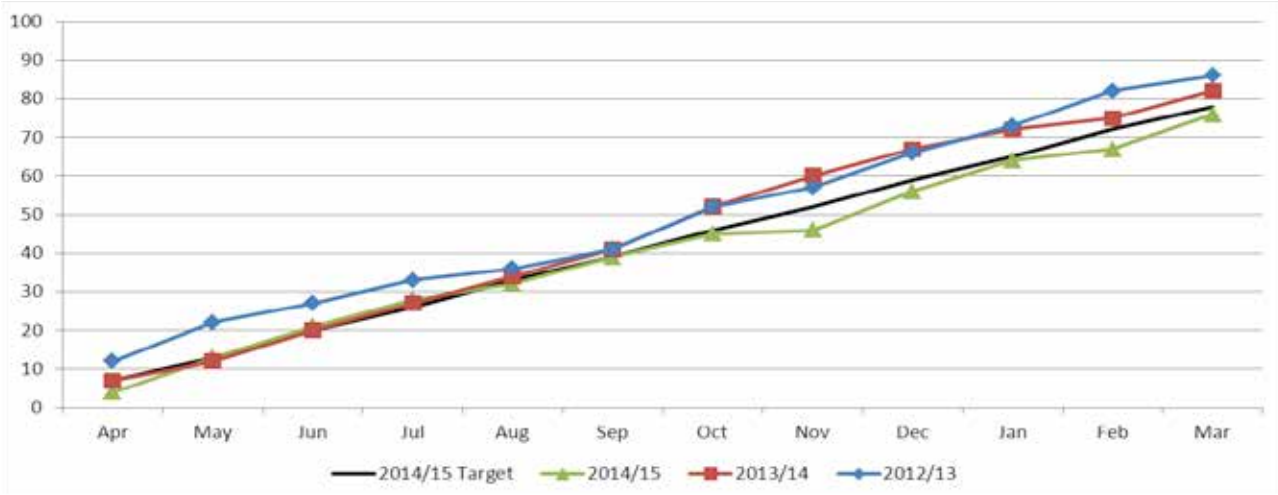


Figure 1. HEFT MRSA bacteraemia cases for April 2014 to March 2015, with the annual threshold shown

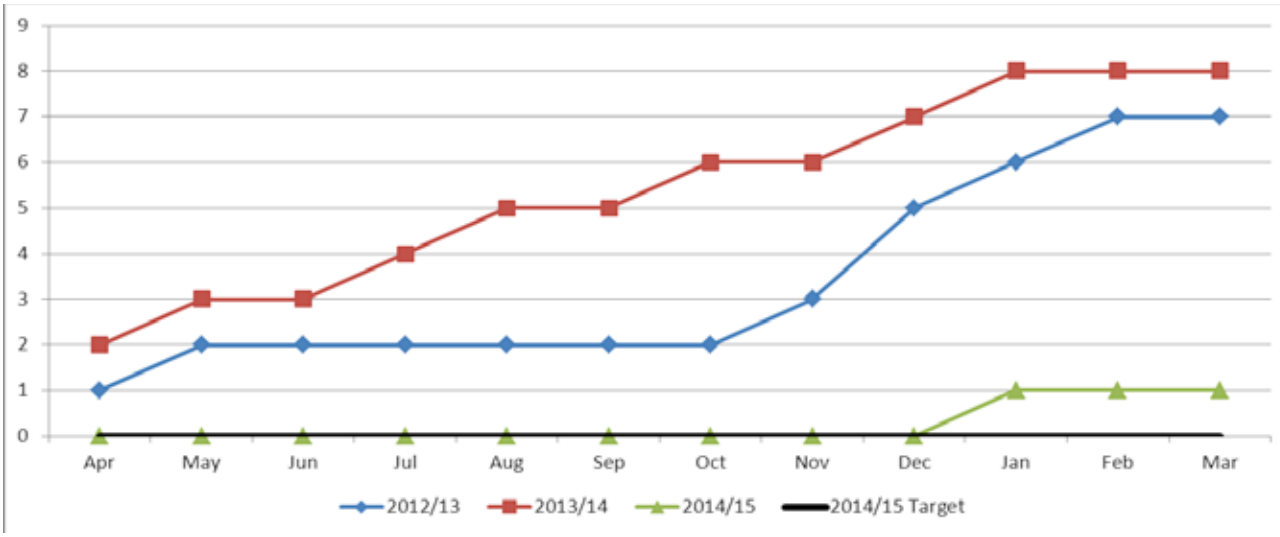


Figure 2 HEFT C. difficile toxin-positive post-48 hour cases from April 2014 to March 2015, with the annual threshold shown

A very challenging trajectory of 78 clostridium difficile cases was set this year. The trust has remained within this with a total of 76 cases. A number of these cases were considered unavoidable and it is likely that an irreducible minimal has now been achieved.

Clinical effectiveness

Incident reporting, management and learning

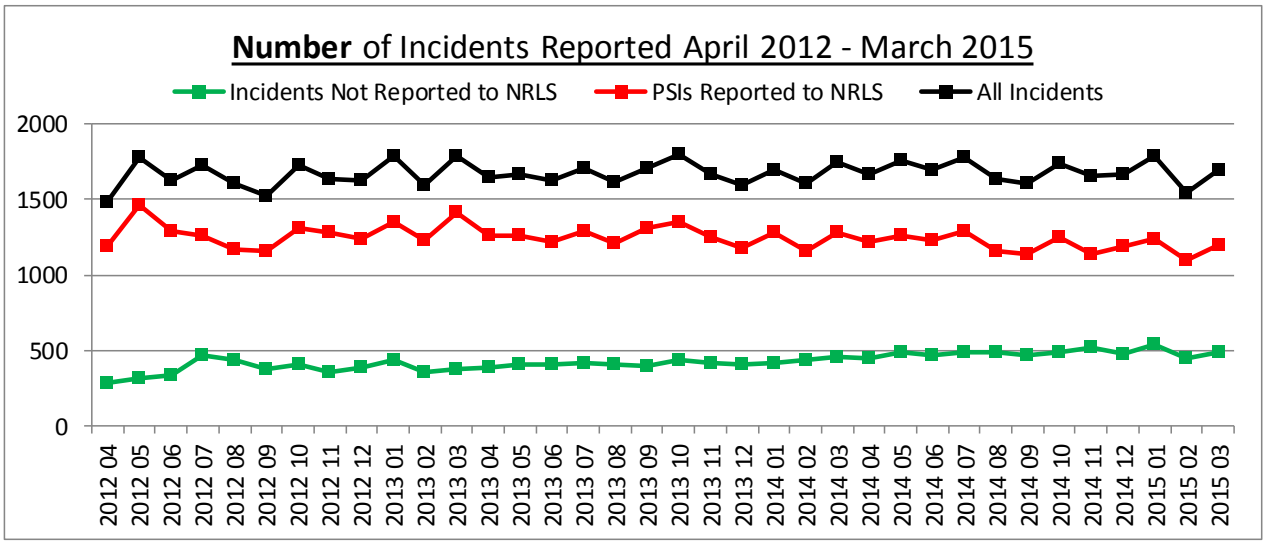
We actively encourage the reporting of all types of incidents to ensure that lessons can be learnt from such occurrences. We continue to consider a high level of incident reporting as an indication of a good safety culture.

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.

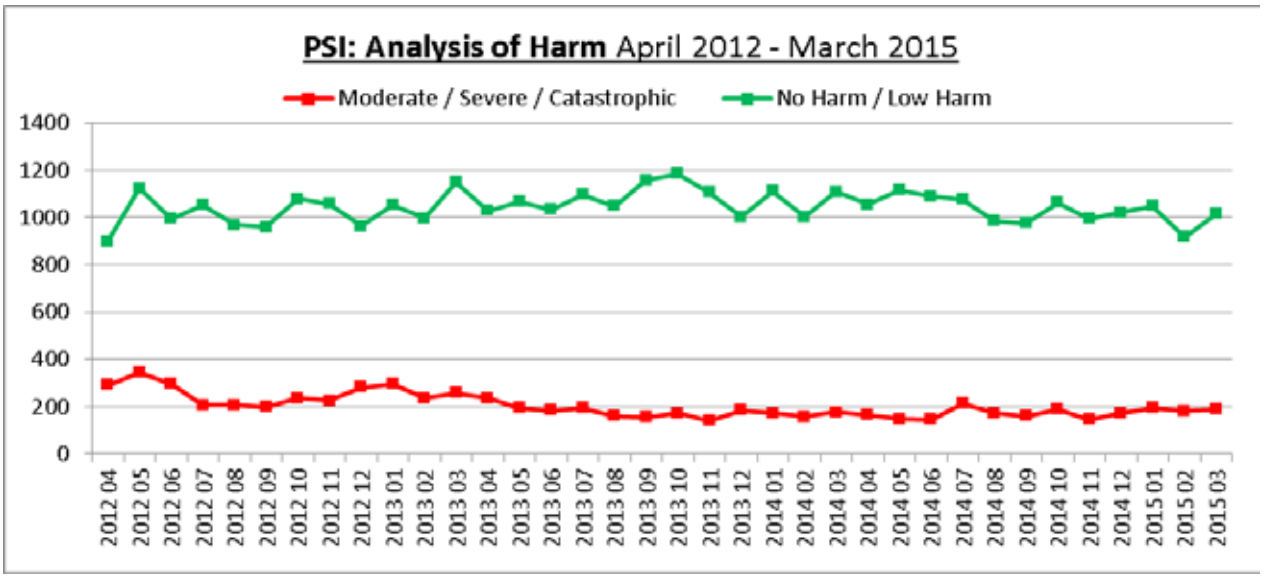
Whilst this can only be a very subjective assessment at the time of the incident, and may change as more is learned about the incident or outcome of the incident, this grading is used to identify the incidents that are to be investigated using RCA to identify learning.
Patient Safety Incidents (PSI's) are broadly defined as any incident causing or having the potential to cause harm to a patient receiving services from the trust. These incidents are reported to the National Reporting and Learning System (NRLS) to support national data analysis, comparison and learning.

Incident reporting



[4]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.

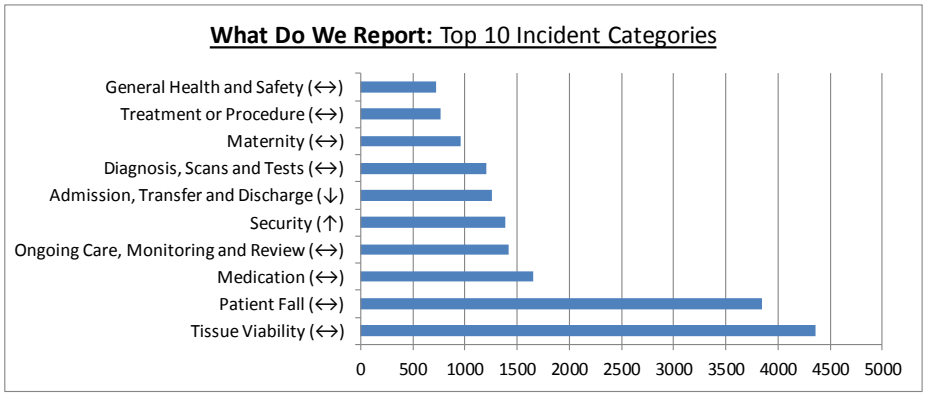


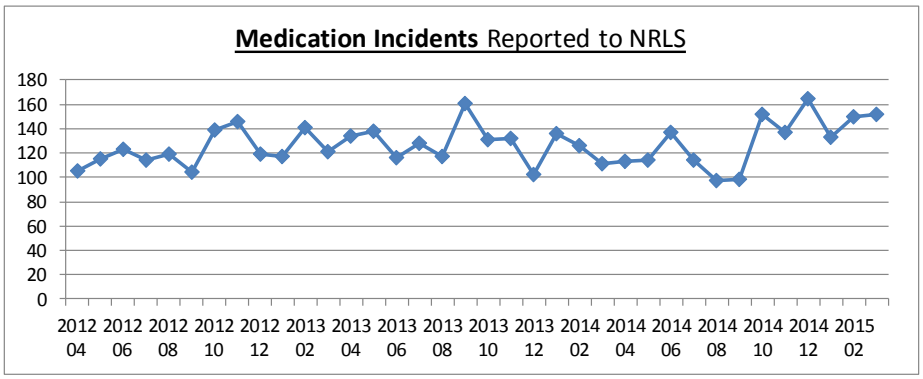
The incident profile that we see this year remains relatively static and is broadly the same as last year. In summary it shows us:

We have reported over 20,000 incidents this financial year. Of those almost 14,500 are PSI's and have been reported to the NRLS.

Incidents are reported from all the locations where trust services are provided including 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 Heartlands Hospital, Good Hope Hospital and Solihull Hospital, reflecting where the trust provides most of its services.

The top 10 categories of reported incidents has not changed since last year, although the order of some of them has changed marginally, illustrated by the arrows.





[5]An investigation process to determine high level information about the reported incident including the actual level of harm caused and the level of investigation recommended.

Much work, described elsewhere in this document continues to ensure reporting and learning from tissue viability incidents and patient falls.

This year we have developed a framework to support the reporting, investigation and learning from medication incidents which includes a bespoke root cause analysis tool and is supported by two contractual indicators:

- All medication incidents resulting in severe or catastrophic harm are reported on STEIS within 48 hours of the incident being identified. This financial year we have "scoped " 20 medication incidents and followed six of these with RCA investigation. We have not always managed this within the 48 hour target but continue to work on the quality, timeliness and learning from these investigations

- Increase reporting of medication-related incidents to NRLS: The graph below suggests that the number of incidents we report to the NRLS has remained broadly static; we will need to watch this trend over the next financial year to see if increased focus on medication incidents can be reflected in this way.

Serious Incidents and Never Events[6]

The trust uses incident severity as one way to identify the most serious of incidents and decide how an incident should be investigated.

In 2014-15 we have "scoped" over 137 reported severe harm incidents, leading to

- 25 investigations in line with the trust's serious untoward incident policy (SUI). See the table below for details
- 60 local level RCAs with oversight / review from investigation team

This process reflects a conscious intent to lower the threshold, (and therefore increase the number) of incidents being investigated in line with the trust's SUI policy and thereby increase the learning and quality improvement opportunities from the incidents.

Site	10/11	11/12	12/13	13/14	14/15
BHH	8	11	7(2xN)	7 (1xN)	17 (1xPN)
GHH	5	1	3 (1xN)	4 (2xN, 1xPN)	6
SH	-	5	1	3 (2xN)	2 (1xN)
Other	-	-	-	1	-
Total	14	17	11	15	25

[6]'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.

This is reflected in the numbers above which shows a 66% increase in the total number of SUI's from 2013-14 to 2014-15. Whilst the proportion of incidents that have occurred at Heartlands Hospital has increased slightly there is no obvious trend or pattern in these incidents.

This year we have had:

- One Never Event: Wrong implant (ophthalmology)
- One Prevented Never Event: Opioid overdose of opioid I patient (paediatrics)

Whilst we have continued to actively share and disseminate learning from SUIs with 'Safety Lessons of the Month', doctors ''Risky Business Forum' and 'SUI: At a glance' reports and trust-wide cascade process our recent main areas of focus, which will carry over into the next financial year, have been:

Support and training: The term ""RCA" still strikes fear into the heart of some of our staff, we cannot hope to increase our learning from incidents without demystifying the incident reporting and investigation tools and processes. We have had the opportunity to invest in some new staff and develop some new training and resource packages. So far we have held three RCA training events and already have a waiting list for future events.

Quality improvement plans: With the complexity and constantly changing workforce of our organisation, one of our constant challenges is how to embed sustainable learning from incidents. We have recently established an assurance panel, chaired by our deputy chief nurse and deputy medical director, to examine progress with, and effectiveness of, quality improvement plans from all incidents investigated in line with the SUI policy.

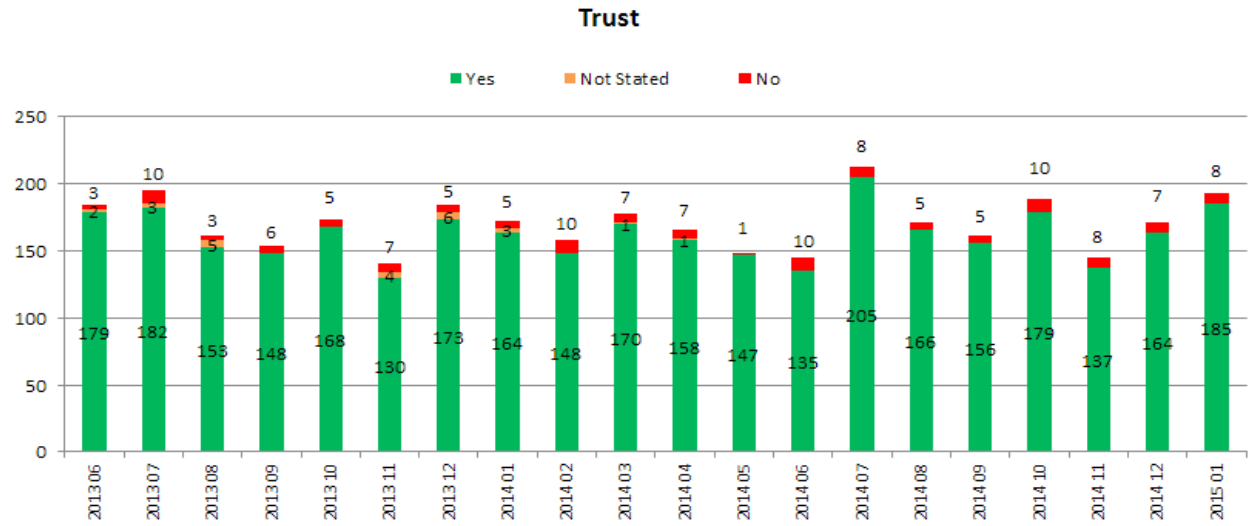
We are also continuing to work with our commissioners to establish a regional group to share learning from incidents and best practice in incident management across the local healthcare economy.

Duty of candour

From November 2014, 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 we used the incident reporting process to record and monitor how this duty is being fulfilled and share this information with the trust's CCG commissioners. The results of this monitoring are illustrated below.



With the introduction of the statutory duty of candour we will be reviewing the way that we implement this duty and working with our commissioners and regional colleagues to develop consistent processes to measure compliance.

Learning from incidents

Anaphylaxis: During the period of September 2013-2014 there were five incidents involving incorrect treatment of anaphylaxis. Analysis of incidents showed that administration of wrong dose and wrong route of adrenaline was a common theme.

The patient safety team; resuscitation and pharmacy teams have worked together during 2014-15 to bring about a number of trust-wide changes to help reduce risk of further incidents occurring. These included:

- Improved labelling of red emergency drugs boxes - to signpost staff to the correct box to use in anaphylaxis emergency
- Inclusion of resuscitation council guidelines for anaphylaxis in red emergency drugs boxes
- Development of a "moodle" education package for anaphylaxis
- Trust-wide communications and dissemination of a "lesson of the month" to raise awareness about the incidents and improved systems
- Since October 2014 no further incidents of incorrect treatment of anaphylaxis have been reported.

Management and treatment of inpatient diabetes: We are also working closely with the multidisciplinary diabetes team to run a month of simple messages about diabetes management and treatment. These lessons and key messages will be based on learning following concerns raised recently about diabetes management/knowledge in the trust. The current plan is to commence this at the end of April with a lesson of the month and then cascade weekly lessons throughout the month of May.

Incidents and errors

The learning lessons survey was launched on the 13th January 2015. This survey is the third to be cascaded and ensures that we continue to regularly evaluate if our learning lessons initiatives are effective and helps us improve our dissemination and cascade systems.

This year there are two learning lessons surveys: The first survey is very similar to the previous surveys and is generic for all staff to complete.

The second is a survey has been specifically devised for CD's, matrons, ward managers and governance leads. This survey is designed to gather feedback from senior staff who handle and manage incidents and will enable us to identify any gaps relating to feedback to frontline staff and also assess

knowledge and awareness related to our learning lessons initiatives.

Both surveys have been cascaded via multimodal methods to gather feedback from as many staff as possible. This also includes walking wards and departments with ipads, taking the survey directly to staff in clinical areas and providing hard copies to areas such as theatres/ITU/ED and clinics.

The survey results will be posted on the intranet along with any improvements taken in response.

Lesson of the month

The 'Lesson of the month' initiative continues to work well and shares a different lesson each month. The lessons can be either proactive or reactive and depend upon incident themes and trends of concerns raised. The aim is to continue to increase the profile of specific incidents and relay key guidance to all staff.

The lessons of the month have generated good engagement from clinicians across the organisation. There have been a total of 29 lessons shared to date and currently there are a further 21 topics for the lessons of the month initiative.

Morbidity and mortality

We monitor our mortality rates 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 observed number of deaths over expected number of deaths given the characteristics of the patients being treated by the trust.

We are also trialling the use of the CRAB tool (Copeland Risk Adjusted Barometer) looking at surgical outcomes and complications and along with triggers to identify potential (similar to the global trigger tool).

The outcomes of the national audits and surgeon specific data are also reviewed.

Our multidisciplinary mortality and morbidity performance group meets monthly to review, analyse, interpret and request action upon mortality data on behalf of the trust.

A quarterly report goes to the trust board level committee quality and risk and mortality data is also reported to trust board in the monthly Safety SITREP. Trust level mortality data forms part of the delivery unit report and the new/integrated governance report which go to board level committees finance and performance, quality and risk along with trust board for discussion.

Care Quality Commission mortality outlier reports

One diagnosis, patients with an admission diagnosis of urinary tract infection and one procedure, therapeutic upper gastrointestinal endoscopy were identified as mortality outliers by the CQC requiring further investigation under their mortality outlier programme but covered periods within 13/14. These were investigated during 2014-15.

Outcome of these reviews:

Urinary tract infections (UTI). It was not possible to identify why there had been an increase during July to November 2013. The most recent data demonstrates that following the rise across all three sites, this has now returned to previous levels. Although in the majority of cases, overall care was felt to be good, even where UTI was not felt to be the correct diagnosis, there were a number of opportunities identified where we can improve both the diagnosis and treatment of UTI and other aspects of care.

- DNAR orders – improvements in several cases identified around documentation, communication and timing of DNAR. We are currently auditing DNAR orders and they form part of a CQUIN.
- Prescription and administration of antibiotics for UTI/sepsis. Although none of the patients were admitted with severe sepsis with organ failure, research shows that mandating antibiotics in one hour improves survival. Management of the deteriorating patient and patients with severe sepsis form part of this year's local CQUIN. These subjects also form part of an improvement project with the NHS QUEST collaborative (see below)

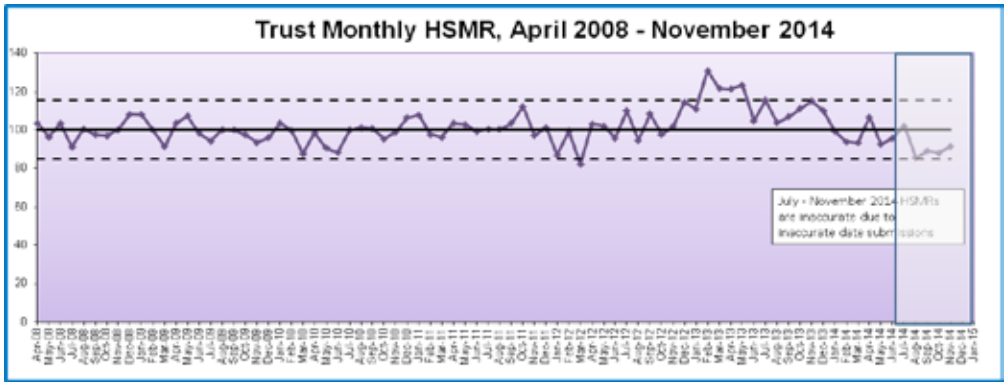
Therapeutic endoscopic procedures on upper GI tract (September to December 2013)

All deaths were anticipated and these patients had either advanced malignancies (eight) or significant co-morbidities (decompensated liver disease, cardiac, kidney and/or advanced age). The therapeutic endoscopic procedures were appropriate for palliative management (stents or percutaneous endoscopic gastrostomy) or control of bleeding.

There were some opportunities for improvement identified:

- All patients calculated as "high risk" upper GI bleed should have their gastroscopy test within 24-48 hours depending on the severity of the GI bleed. High risk upper GI re-bleed patients should be managed in a gastroenterology ward for regular specialist review, an earlier decision on ceiling for escalation of care or alternative therapy and specialist nursing care as per NICE.
- All decompensated liver disease patients should be seen by a gastroenterologist within 24-48 hours of admission and managed in a gastroenterology ward as per NCEPOD recommendations

HSMR



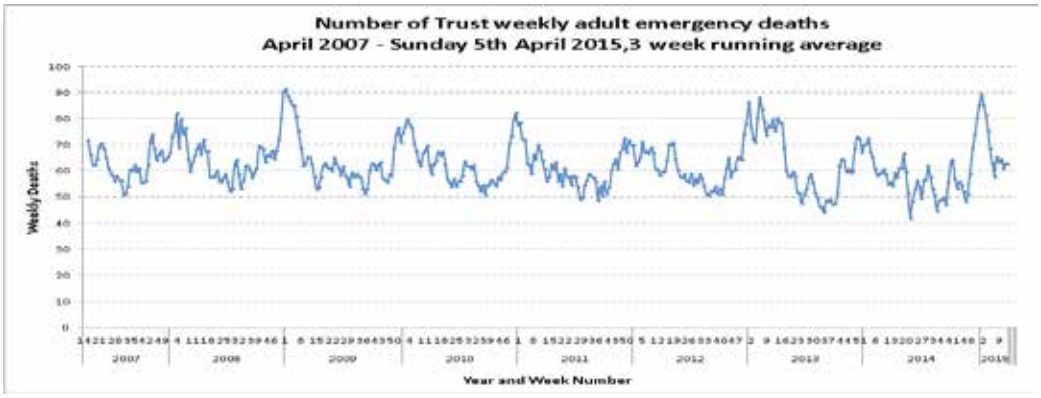
Dr Foster HSMR, December 2012 – November 2014 (rebased using 13-14 benchmark)

Dr Foster HSMR 2010-11 to April – Nov 2014

Site	2010/11 (rebased)	2011/12 (rebased)	2012/13 (rebased)	2013/14 (rebased)	2014/15 YTD (2013/14 base)
Trust Wide	98.6	98.5	107.9	107.9	97.4
Heartlands Hospital	97.7	101.2	109.3	112.4	107.0
Good Hope Hospital	103.3	98.5	108.4	106.7	97.3
Solihull Hospital	93.0	93.1	104.2	100.6	76.6

As can be seen from the graphs above, the trust has seen a steady decline in its monthly HSMR over the last year compared with the previous year 2013-14. We remained an outlier once Dr Foster recalculated their annual benchmark data from all Trusts for 2013-14. This suggested that other trusts are improving more than we are. It should be noted that following the move to a new patient administration system in July 2014 it was identified that there was a period of inaccurate inputting of the type of admission with more patients be coded as emergency rather than elective admissions. As a result the HSMR and SHMI may be affected and is not reliable for mortality measurement.

We moved to monitoring of weekly crude numbers of deaths over the winter period in order to track mortality. There was a marked rise in the weekly number of deaths over December which peaked at the end of December/beginning of January. This was associated with increased congestion in patient flow and also mirrors the flu A spike – this is in line with the findings of the Public Health England (PHE) report into seasonal flu. There was a decline in crude numbers of deaths throughout January which has stabilised at a slightly higher number than the pre-winter level, possibly associated with a minor rise in flu B positive cases since the start of February.



Although our SHMI continues to be raised our figures put us in band two "within expected" band.

Period	Measure	Band
Jan 12-Dec12	103.0	Band 2 within expected
Apr 12-Mar13	107.9	Band 2 within expected
Jul 12-Jun 13	108.6	Band 2 within expected
Oct 12-Sept 13	108.8	Band 2 within expected
Jan13-Dec 13	109.9	Band 2 within expected
April 13-Mar14	108.2	Band 2 within expected
Jul 13- Jun 14	109.2	Band 2 within expected

What are we doing to reduce our mortality further?

In the autumn of 2014 the board commissioned an external review of mortality by Mr Silverman, deputy medical director of the Trust Development Authority. This report produced a number of recommendations and these have been combined with other mortality reduction initiatives into an overarching plan to reduce mortality.

Below are a number of initiatives that we are currently undertaking to reduce mortality and improve the quality of care. This list is not exhaustive.

Development of a combined quality improvement plan to include:

- improving mortality governance,
- service transformation to address congestion,
- staff engagement,
- improving coding and data quality within the clinical record and mortality quality improvement projects
- quality improvement projects :
    - Improving time of STAT dose antibiotics,
    - Reinstatement of the deteriorating patient recognition group to focus on sepsis, MEWS escalation, electronic observation systems, cardiac arrest and do not attempt resuscitation (DNAR).
    - CQUIN for deteriorating patient
    - NHS QUEST breakthrough series collaborative for deteriorating patient
    - Sepsis quality improvement work
- continue to monitor, review and explore our mortality data to help focus any improvement activities including the trial of the CRAB data analysis tool

Patient experience

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 range of local and national measures which allow performance to be monitored and focus on areas which require attention. Findings are crucial in helping us to understand the patient experience and monthly satisfaction reports presented to the board of directors and site leads.

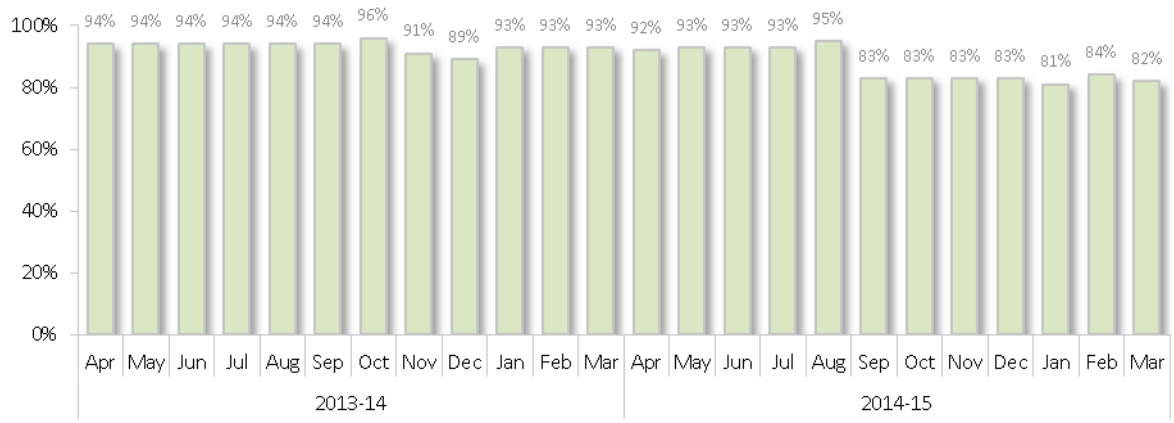
Since developing the inpatient metrics as described below, we are receiving an unprecedented amount of qualitative feedback from patients about what we did well and what we have done better. This particular data source will be developed over the coming year to help us make improvements for patients, carers and relatives.

Inpatient satisfaction

The head of patient and public engagement carried out an appraisal of the patient metrics programme. The main conclusions of this review were to reduce the number of measures and change the way the feedback was collected. In the past, the team interviewed patients at their bedside (face to face surveys); this process can be time consuming and consequently a maximum of 15 patients gave feedback per ward each month. Additionally we were asking questions which were no longer relevant and are being measured in other ways. With fewer questions, they could be added to the friends and family postcard. By increasing the amount of patients who responded each month, the results would be more representative of the population as a whole.

In August 2014, a new programme for collating inpatient experience was introduced; it is well documented that face to face surveys produce results that are more positive than those that are completed anonymously and as a result, overall satisfaction levels fell in September when the new methodology was introduced (see figure one below).

Figure 1: Overall satisfaction inpatient survey (April 2013 – March 2015)



The two tables below represent two different periods; before and up to when the inpatient experience metrics were reviewed and updated (April – August 2014) and the period after (from August 2014 onwards). The tables are organised into colour coded sections showing the upper and lower ranges of scores achieved, the highest scores (green) are on the left and the lowest are on the right (red).

Figure 2: New inpatient survey (August 2014 – March 2015)

Felt cared for	Staff talk in front of me	Pain control	Medication side effects	Call buzzer	Informed about going home	Involved in decisions	Noise at night
92.9	89.5	88.9	85.1	82.5	82.3	81.9	62.6
Top 20% of highest scores		Scores in the intermediate 60% of scores				Bottom 20% of scores	

Figure 2a: Inpatient face to face survey (April 2014 – August 2014)

Help eating meals	Regularly checks if comfortable	Mixed sex bay	Hand hygiene	Respect & dignity	Cleanliness	Felt cared for	Privacy discussing condition	Pain control	Medication side effects	Involved in treatment decisions	Discuss worries or concerns	Would recommend ward to others	Call buzzer response	Informed about going home
99	99	99	99	98	98	97	97	96	96	94	93	90	84	63
of highest scores				Scores in the intermediate 60% of scores								of scores		

Friends and family Test

The Friends and Family Test (FFT) is a single question survey which asks patients whether they would recommend the NHS service they have received to friends and family who need similar treatment or care. The survey team ensure the Friends and Family Test is fully implemented for inpatients, the emergency department and maternity services. In real terms, for this measure alone we have increased the number of patients who gave feedback from 27,000 in 2013 to 39,000 respondents in 2014.

Table 1: Percentage of responses for the Friends and Family Test (April 2014 – March 2015)

FFT Response	April	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	YTD
Inpatient	14%	14%	17%	36%	37%	30%	30%	38%	28%	37%	32%	41%	29%
Emergency	19%	19%	18%	17%	17%	17%	18%	17%	17%	18%	22%	21%	18%
Maternity	11%	15%	13%	16%	6%	9%	3%	6%	2%	2%	3%	4%	8%

The NHS England review recommended the introduction of a simpler scoring system in order to increase the relevance of the FFT data for NHS staff, patients and members of the public. The trust presents results as a percentage of respondents who would recommend the service to their friends and family. The graphs below shows the percentage of patients who would recommend our services to friends and family, the grey dotted line shows the percentage of NHS patients in England.

Figure 3: Percentage of inpatients who would recommend our services (April 2014 – March 2015)*

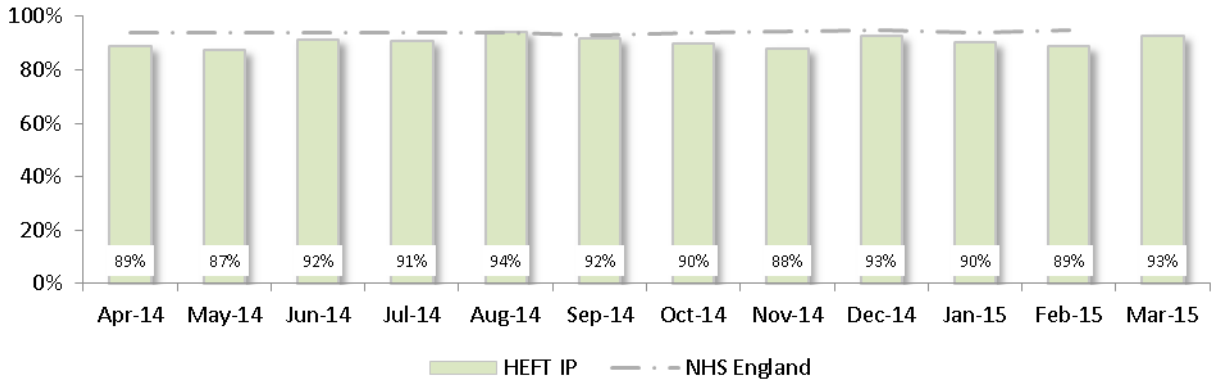


Figure 3a: Percentage of emergency patients who would recommend our services (April 2014 – March 2015)*

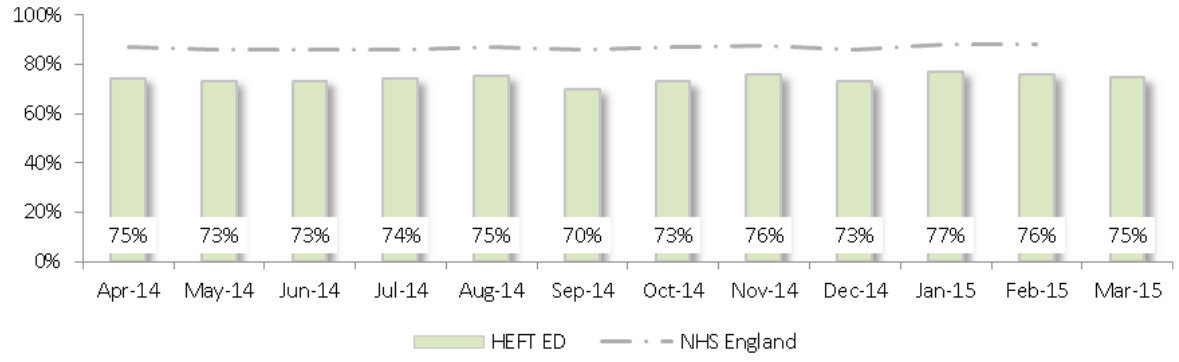


Figure 3b: Percentage of community patients who would recommend our services (April 2014 – March 2015)

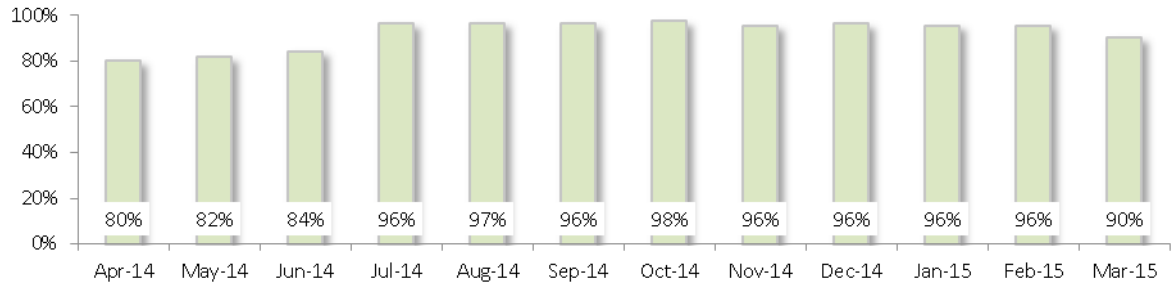
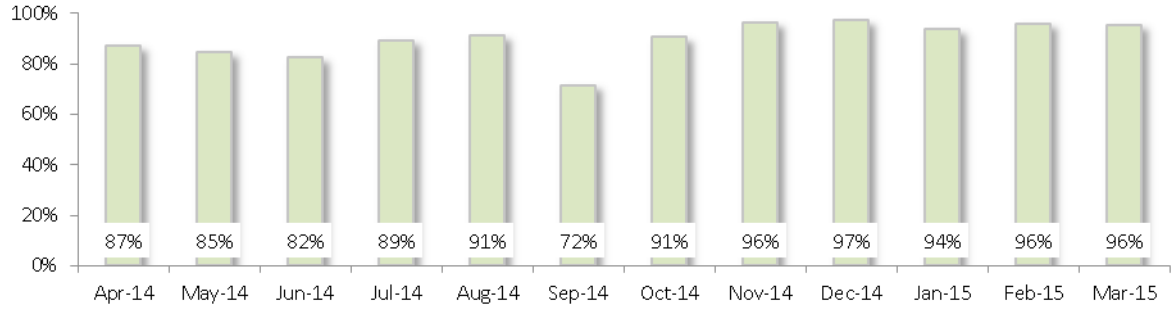


Figure 3c: Percentage of maternity patients who would recommend our services (April 2014 – March 2015)



The survey team is responsible for conducting our patient experience surveys on behalf of the trust, in real terms we have increased the number of patients asked to give feedback by 13,000 during 2014 (see table 2 below). The main projects are summarised in table 2a below:

Table 2: Yearly comparison of patient surveyed and the number of compliments and improvement comments (2012-2015)

Comparison of patients surveyed and quality comments between 2011-2015							
Year	Patients sampled	Total Responses		Compliments		Improvement	
		n	%	n	%	n	%
2014-15	280,297	64,616	23%	20,552	70%	8,720	30%
2013-14	213,464	41,813	20%	14,503	69%	6,435	31%
2012-13	148,483	30,570	21%	2,958	62%	1,795	38%
2011-12	38,795	14,650	38%	1,598	52%	1,500	48%

Table 2a: Breakdown of surveys from April 2014 to March 2015

Title	sample	Response	Compliments	Improvement
National Inpatient Survey	850	305	104	90
National Emergency Survey	850	227	44	32
National Cancer Survey	1,491	886	498	290
Inpatient Metrics Programme	24,332	13,685	N/A	N/A
Inpatient Friends & Family Test (FFT)	60,830	17,681	10,147	5,139
Emergency Department FFT	149,156	27,135	8,079	2,762
Maternity Services FFT	34,636	2,588	1,163	321
Community Services	8,152	2,109	517	86
Total	280,297	64,616	20,552	8,720

National survey programme

The trust carried out three national patient experience surveys (inpatient, emergency services and cancer) during 2014-15 on behalf of the Care Quality Commission (CQC). The inpatient and emergency surveys results were comparable to previous results; performance was about the same as most other in the country. The results from the cancer survey showed some significant improvements:

- We are one of the most improved trusts in the country in 2014. Results show significant improvements over time, 10 questions improved during 2013-14, 28 scored questions improved during 2010-14
- The clinical nurse specialist (CNS) is the single variable associated with high scores by patients in every tumour group
- Patients entering through ED much less likely to be positive than those entering through other pathways (matched data from 2010 CPES with NCIN RTD data)
- Patients with recurrence of cancer or those who have had ineffective treatment give poorer scores than others

Table 3: National inpatient survey yearly comparison (April 2012 to March 2015)

National Patient Survey Programme	2012-13	2013-14	2014-15	Trend 2014-15
Length of time on waiting list	8.3	8.7	7.9 ↓	-0.8
Treated with respect & dignity	8.9	8.5	8.6 ↑	0.1
Staff did all they could to control your pain	7.8	7.4	7.9 ↑	0.5
Overall inpatient satisfaction	7.9	7.9	7.7 ↓	-0.2
Given the right amount of information	7.4	7.8	7.6 ↓	-0.2
Areas of concern				
Q49. Fully involved in decisions about discharge	*6.5*	*6.6*	*6.6* →	*0*
Q60. Staff took home situation into account when planning discharge	*7.1*	*6.3*	*7.0* ↑	*0.7*
Q52. Discharge delayed due to wait for medicines/doctor/ambulance	*5.3*	*5.3*	*5.4* ↑	*0.1*
Q59. Told about danger signals to watch out for at home	*5.1*	*4.6*	*4.8* ↑	*0.2*
Q56. Told about medication side effects to watch out for at home	*4.5*	*4.4*	*4.7* ↑	*0.3*
Q70. Informed about how to complain about care	*1.9*	*2.5*	*2.4* ↓	*-0.1*
Q69. Asked to give views whilst in hospital	*1.6*	*1.6*	*2.1* ↑	*0.5*

Patient stories

Patient comments are recorded and monitored by the survey team on behalf of the trust. Some good examples are listed below:

Positive feedback

"I think the ED at Good Hope Hospital was brilliant on this occasion. I was treated excellently in by the medical team. Thank you. I was put at ease very quickly and made to feel comfortable and relaxed. Once seen by the doctor in ED my condition was quickly diagnosed and I was moved to resus. The medical staff was very professional and kept me informed about the treatment I needed to have. (Name removed) in rhesus is fantastic!! He is able to explain exactly what needs to be done to correct my heart condition. He is very down to earth and brilliant is his job which is what I appreciated. (Name removed) is very knowledgeable and he is happy to share his expertise with trainee staff and students whilst they are training to gain their qualifications. Thanks (Name removed) you're a star. I would just like to say a huge THANK YOU for helping me get back home quickly. Keep up the good work." (emergency patient, October 2014)

"Nursing staff were all very polite, kind and very understanding of my situation. As a member of staff I was well cared for. A well run ward." (inpatient, April 2014)

"All staff on the Maple ward was absolutely fantastic! Very friendly, a very clean hospital and the surgery staff for my C-section were amazing. A big special mention for (name removed). She was amazing through my surgery and with my after care." (maternity patient May 2014)

"Really lovely with our little boy, we were seen quickly and given good information and advice! Children's AE section is great; I think (Name removed) just thought he was play group with all the toys, not scared at all! Thank You!" (parent of paediatric patient, July 2014)

"Overall, the care I received over the last year was outstanding in all areas. The doctors and nurses were excellent and made my journey of finding out I had cancer loads better for me. I was treated at Solihull, Good Hope, Walsgrave, and Heartlands. All hospitals offered outstanding care and support to me and my family. I would just like to thank the NHS for everything they done for me. My daughter has now decided to become a nurse and hopes to help other people and look after them like I was. Thank you." (cancer patient, June 2014)

How the trust is using this

We have embarked on a huge programme of staff engagement to change the culture of the organisation. Our feedback, including complaints, tells us that a large proportion of patient experience improvements centre around how well we communicate with patients, relatives and carers and how we build our systems with the patient in mind. If we can improve on our staff engagement we believe that we will drastically improve patient experience and prevent complaints from happening.

Additionally over the last year we have recruited our Citizens' Assembly. This is a group of members of the public, not necessarily with an attachment to healthcare services to support the trust's longer term strategic plans so that we can include patients and the public at an early stage in service planning. This is in addition to our network of patient groups, one of which routinely visits and inspect wards each month and whilst these are largely positive, they highlight where we can make some short term improvements.

Complaints

Complaints are one of many ways which we use to better understand the experiences patients, relatives and carers have.

In 2013-2014 a pilot study at Solihull Hospital was introduced whereby complaints staff became case managers responsible for reviewing the complaint from the beginning to the final response, with continuous liaison with the complainant. This same system has now been adopted by general surgery, urology and gastroenterology at Heartlands Hospital, having a dedicated team working closely with

the directorate to improve the complaints process. After an initial period of integrating these new systems we are now seeing improvements in process and we will continue to refine these over the coming months to improve the way complaints are handled for patients, carers and relatives.

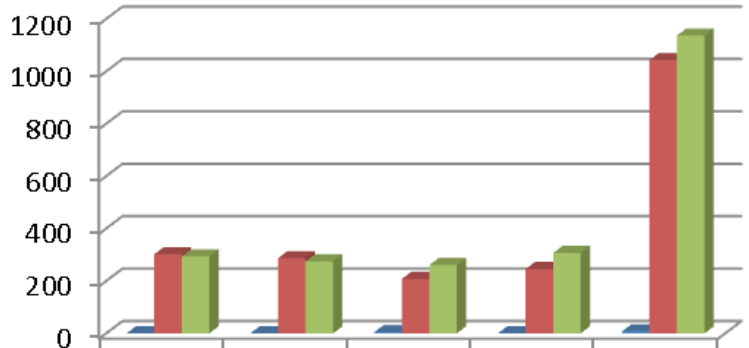
We are currently reviewing the entire process, both centralised and directorate led and consultation and discussions are underway to inform the organisation of the best systems and structures with which to manage complaints.

Comparison Complaints data

Although complaint numbers remain consistent, the number of concerns that are raised, dealt with and resolved at an early stage has increased, reducing the number of potential formal complaints. The data for formal complaints and informal is used in conjunction with each other to identify themes and trends across the trust.

The information below excludes concerns raised by GPs regarding services.

Complaints and concerns raised for all sites April 2014 – March 2015



	14/15 Q1	14/15 Q2	14/15 Q3	14/15 Q4	Totals:
Formal Complaint With HMC Interest	1	1	5	1	8
Formal Complaint	302	287	208	246	1043
Informal Complaint	294	275	261	307	1137

Complaints reporting

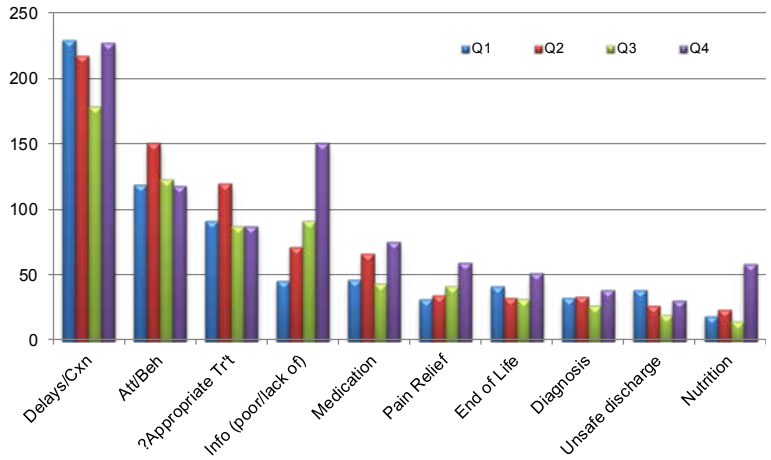
The themes of both formal and informal complaints are reported to the quality and risk committee, detailed below are extracts from the complaints report April 2014 – March 2015.

The ratio of individuals registering complaints (both formal and informal) per 1000 patients is shown by site below.

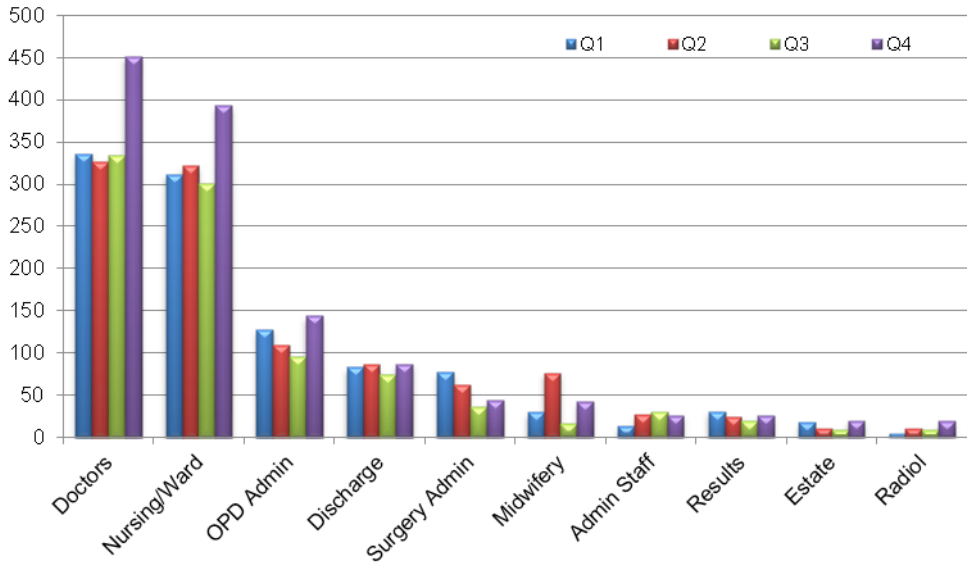
HEFT Complaints Against Activity												
	Quarter 1			Quarter 2			Quarter 3			Quarter 4		
Site	Number of individual complaints	Site Activity/No patients	Ratio of complaints per 1000 patients	Number of individual complaints	Site Activity/No patients	Ratio of complaints per 1000 patients	Number of individual complaints	Site Activity/No patients	Ratio of complaints per 1000 patients	Number of individual complaints	Site Activity/No patients	Ratio of complaints per 1000 patients
BHH	276	76877	3.59	263	77820	3.38	241	78333	3.08	277	88166	3.14
GHH	216	56127	3.85	226	55750	4.05	193	56278	3.43	247	61026	4.05
SOL	129	51927	2.48	96	52103	1.84	96	51282	1.87	116	53912	2.15
COMMUNITY	13	18871	0.69	10	24984	0.40	7	22271	0.31	6	15365	0.39
TOTAL	634	203802	3.11	595	210657	2.82	537	208164	2.58	646	218469	2.96

The charts and tables below show the number of issues identified in complaints as opposed to the number of individuals contacting the service. For example, one complainant may raise several issues of concern in the one complaint.

The graph below shows the ten most prevalent of the themes across all staff types and areas. These accounted for 69.1% of all concerns or themes identified.



The graph below shows the areas and staff groups where themes most commonly occurred.



Patient services

There is a need to develop the function of how we resolve and respond to informal complaints further and we are looking closely at how we utilise the patient services staff to ensure that a proactive five day service is available at each site. Currently the patient services team cover all three main sites. Having dedicated patient services support working on one site creates an in-depth knowledge and skill base of each of the sites and builds closer working relationships between wards and patient services which in turn helps to resolve issues early on identifying when a concern should be responded to as formal complaint and providing advocacy for the complainant throughout the complaints process.

Parliamentary Health Service Ombudsman (PHSO)

The PHSO provides a service to the public by undertaking independent investigations into complaints that government departments, a range of other public bodies in the UK, and the NHS in England, have not acted properly or fairly or have provided a poor service.

The aim of the PHSO is to provide an independent high quality complaint handling service that rights individual wrongs, drives improvement in public services and informs public policy.

During 2014-15 the PHSO requested information regarding 32 complaints, an increase on previous years. The increase is attributed to a change in PHSO practices in its review of individual cases; more scrutiny is now applied in the initial scoping of cases. Four of these cases had elements which the PHSO partially upheld. The remainder were either not upheld, not investigated or are in the process of being scoped by the PHSO.

We either have action plans in place to address these issues or have acted in accordance with PHSO advice.

Local and national priorities

Description of Target	Target 2014/15	2010/11	2011/12	2012/13	2013/14	2014/15	2014/15 Month Period
Reduction of incidence of Clostridium (post 48 hours)*.	78	171	123	86	82	75	Apr-Mar 15
Reduction of incidence of MRSA bacteraemia (post 48 hours).	0	9	8	7	8	1	
Patients receiving subsequent treatment (surgery and drug treatment only) within 1 month (31 days) of a decision to treat – Surgery modality.	>=94%	98.43%	97.10%	97.42%	98.44%	98.79%	Apr 14-Jun14 &October 14-Mar 15
Patients receiving subsequent treatment (surgery and drug treatment only) within 1 month (31 days) of a decision to treat – Anti cancer drug modality.	>=98%	100%	100%	99.72%	100%	100.00%	
Patients receiving subsequent treatment (surgery and drug treatment only) within 1 month (31 days) of a decision to treat – Radiotherapy	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Patients receiving their first definitive treatment for cancer within 2 months (62 days) of GP or dentist urgent referral for suspected cancer. Ⓐ	>=85%	85.62%	85.44%	86.35%	86.33%	85.22%	Apr 14-Jun14 &October 14-Mar 15
Patients receiving their first definitive treatment for cancer within 2 months (62 days) of urgent referral from the National Screening Service.	>=90%	99.44%	98.16%	99.13%	97.00%	90.65%	

Admitted Patients Treated within 18 Weeks of Referral	>=90%	NA	90.00%	92.03%	89.39%	81.21%	Apr 14-Jun14 & Nov 14 – Mar15
Non-Admitted Patients Treated within 18 Weeks of Referral	>=95%	NA	97.82%	96.85%	96.29%	92.54%	
18 week incomplete pathways Ⓐ	>=92%	NA	NA	95.57%	94.21%	94.41%	Apr 14-Jun14
Patients receiving their first definitive treatment within 1 month (31 days) of a decision to treat (as a proxy for diagnosis) for cancer.	>=96%	98.62%	97.42%	96.92%	97.92%	97.99%	Apr 14-Jun14 &October 14-Mar 15
Patients first seen by a specialist within 2 weeks when urgently referred by their GP or dentist with suspected cancer.	>=93%	94.04%	94.50%	93.66%	92.86%	84.42%	Apr 14-Jun14 &October 14-Mar 15
Patients first seen by a specialist within 2 weeks when urgently referred by their GP with any breast symptom except suspected cancer.	>=93%	94.81%	94.79%	94.64%	93.20%	79.18%	
Maximum waiting time of 4 hours in A&E from arrival, to admission, transfer or discharge	>=95% target	95.41%	95.97%	93.13%	93.02%	90.38%	Apr 14-Mar 15

2013/14						2014/15	
	Target 2014/15	Qtr1	Qtr2	Qtr3	Qtr4	Qtr4	
Community Services Data completeness: Referral to treatment	50.00%	85.00%	96.32%	96.67%	84.10%	100.00%	Apr14 – Mar 15
Community Services Data completeness: Referral information	50.00%	89.10%	97.71%	99.98%	97.01%	97.27%	
Community Services Data completeness: Treatment activity	50.00%	99.80%	99.99%	99.80%	91.80%	99.91%	
Self certification against compliance with requirements regarding access to healthcare for people with a learning disability	out of 6 criteria	6	6	6	6	6	

Maximum waiting time of four hours in A&E from arrival, to admission, transfer or discharge

A combination of an increased demand for urgent care, limited capacity in A&E and variable flow through the inpatient and discharge processes has resulted in delays. These delays have resulted in more patients spending longer than four hours in the A&E departments.

We are implementing our Urgent Care Improvement Plan which has a range of measures, including:

- Delivery of an improved discharge process to significantly reduce the variability of inpatient discharges through each day and through the week
- Ensure that assessment areas move rapidly to a position where more than 50% of patients are appropriately assessed, treated and discharged within 72 hours
- Continue to develop models of ambulatory care across the trust such that only those patients who must be admitted as inpatients access our beds.
- Work with primary care, social and community services and developing models for care of frail patients such that this vulnerable group of patients only access inpatient care when absolutely necessary.

Two week wait Cancers and breast symptomatic

We are currently undertaking the following actions to improve these services by:

- Increasing capacity, both in terms of workforce and out patients clinic and diagnostic capacity to achieve 93% 2ww standard
- Improve referral guidance to reduce inappropriate GP referrals

- Increase awareness to patients via GPs of the reason for their referral and the importance of attending within two weeks of referral
- Undertaking ongoing review of the growth in referrals using a forward look approach to ensure adequate capacity is planned.

All other pathways

We are currently undertaking the following actions to improve the quality of these services by:

Admitted:

- Increase capacity, in terms of workforce, diagnostics and available operating time to achieve 90% 18 week standard.
- Continue to use additional capacity including mobile theatre unit, mobile MRI scanner and private sector capacity in addition to increasing theatre availability on all three sites.
- Increase endoscopy capacity further from Q2 with a mobile endoscopy unit
- Develop trajectories that illustrate a reduction in backlog and a return to compliance
- Centralise waiting list management
- Continue to apply an approach of continuous improvement and training to all staff groups in particular medical secretaries and consultants, regarding waiting list management including active management of patients whose "clock" is open pending clinical decision.
- Identify in partnership with CCG improvements in pathway management across primary and secondary care

Non admitted:

- Increase capacity, both in terms of workforce, outpatients clinic and diagnostic capacity to achieve 95% 18w standard
- Continue to provide additional capacity to reduce wait to 1st OPA to five weeks for >80% of patients
- Continue to use additional capacity including mobile MRI scanner in addition to increasing endoscopy capacity further from Q2 with use of a mobile endoscopy unit.
- Continue to apply an approach of continuous improvement and training to all staff groups in particular medical secretaries and consultants, regarding waiting list management including active management of patients whose "clock" is open pending clinical decision.
- Identify in partnership with CCG improvements in pathway management across primary and secondary care

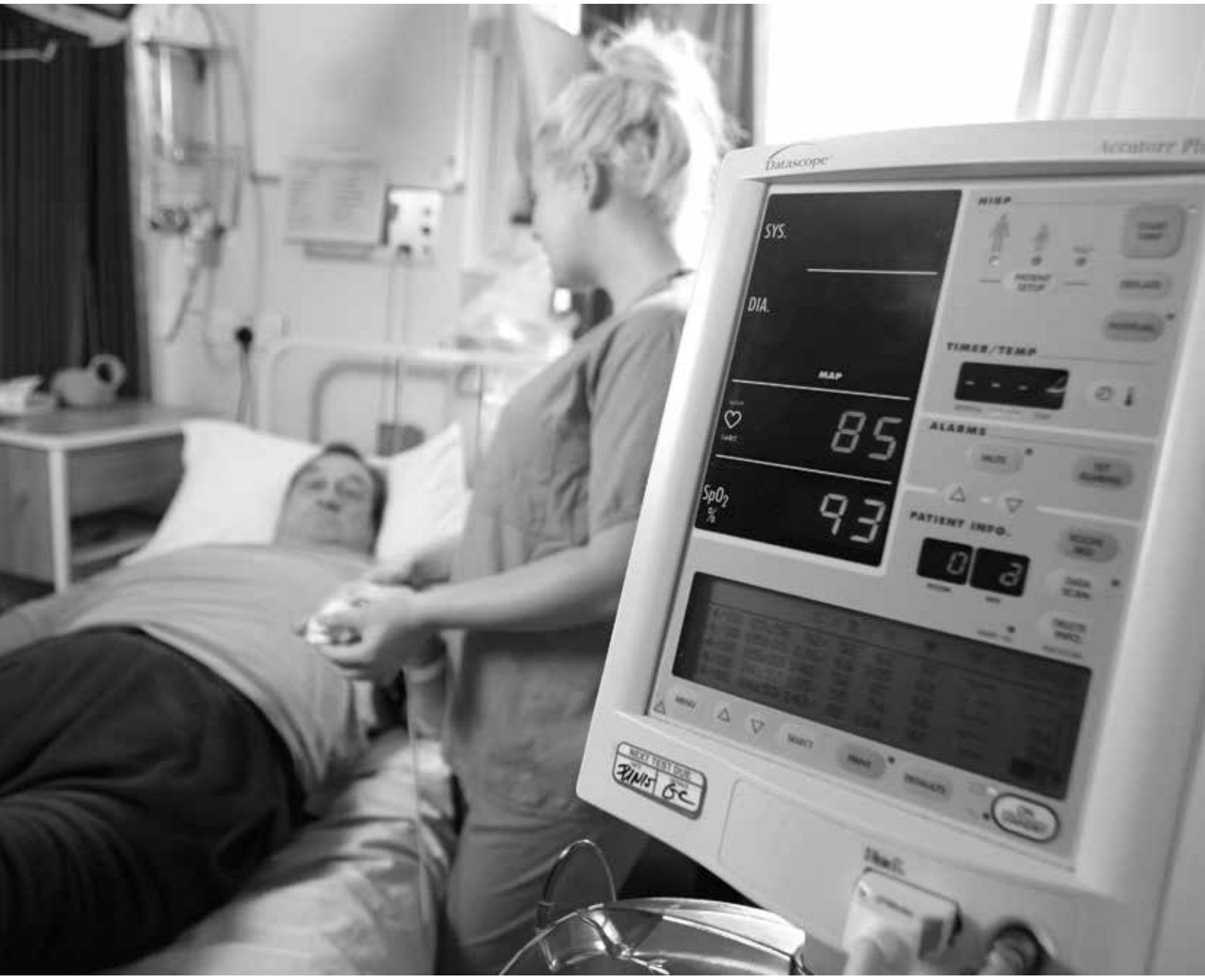
Referral to treatment (RTT):

The last monthly RTT position that was reported externally was in June 2014. The reported June position was compiled from HISS (patient system), and was externally audited and given a 'fit for purpose' status in a very detailed CCG-led audit.

In the first week of July 2014, the trust implemented a new PAS (patient system) system, PMS2, which was designed to provide a 'real time' RTT position, as the 18 week pathway calculations were designed within the system itself. The transfer of data from the legacy system resulted in further work being undertaken to ensure the information and reporting from the new system was complete and accurate. Validation of legacy 'open clocks', relating to patients currently on incomplete pathways (of which there were more than 100,000), formed a part of this work, and was completed with guidance from IMAS, and with weekly progress updates provided to Monitor.

This validation work has now been completed, and the trust is now able to return to reporting its RTT position for incomplete pathways from April 2015.

Target	Definition	Criteria
Patients receiving their first definitive treatment for cancer within 2 months of GP or dentist urgent referral for suspected cancer Ⓐ	Maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers	• the indicator is expressed as a percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the period; • the indicator is calculated as the arithmetic average for the monthly reported performance indicators for April 2014 to March 2015; • the clock start date is defined as the date that the referral is received by the Foundation Trust, meeting the criteria set out by the Department of Health guidance; and • the indicator includes only referrals for consultant-led service, and meeting the definition of the service whereby a consultant retains overall clinical responsibility for the service, team or treatment.
8 week complete pathways Ⓐ	Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period	· the indicator is expressed as a percentage of patients receiving first definitive treatment for cancer within 62 days of an urgent GP referral for suspected cancer; · an urgent GP referral is one which has a two week wait from date that the referral is received to first being seen by a consultant; · the indicator only includes GP referrals for suspected cancer (i.e. excludes consultant upgrades and screening referrals and where the priority type of the referral is National Code 3 – Two week wait); · the clock start date is defined as the date that the referral is received by the Trust; and · the clock stop date is the date of first definitive cancer treatment as defined in the NHS Dataset Set Change Notice. In summary, this is the date of the first definitive cancer treatment given to a patient who is receiving care for a cancer condition or it is the date that cancer was discounted when the patient was first seen or it is the date that the patient made the decision to decline all treatment.


Datascope
SYS.
DIA.
MAP
85
SpO2
%
93
NIBP
TIMER/TEMP
ALARMS
PATIENT INFO.

Part 3:

In other news...

There are always a number of initiatives going on throughout the trust to enhance the quality of care patients receive. Below we've included a flavour of these quality initiatives.

6cs programme for health care assistants

Solihull identified the potential to engage with health care assistants (HCA's) across the hospital and community services through a programme of work designed around the' 6Cs' that were launched by the chief nursing officer. The 6Cs reflect the expectations of fundamental care within nursing and describe an approach to care that is relevant regardless of role. The 6Cs are – care; compassion; competence; communication; courage; and commitment.

The Solihull HCAs 6Cs programme ran as a series of two hour sessions, with each session focusing on one of the 6Cs. Each session was facilitated by either the head nurse or associate head nurse with co-facilitators for each session identified from relevant areas of practice within the trust. HCAs were encourage to attend all sessions, although some staff attended only those sessions they felt were particularly relevant to their area of work. Approximately a dozen staff went through the first programme. Evaluation for each of the sessions was undertaken and staff rated the programme good to excellent, with some sessions rated as excellent by all staff in attendance, with comments such as:

"fantastic, informative insight into a very important aspect of care"
"great that appropriate to area of work, able to voice opinions, concerns"
"makes you realise what an individual may feel like in an unusual environment".

Whilst the initial plan was to run a second programme of sessions it has been identified that for some areas it is difficult to release HCAs for two hours at a time and it has therefore been agreed the 6Cs programme will be used to deliver a one day event that incorporates all the individual elements with a view to securing HCAs from a broader range of areas.

Dementia and delirium outreach team

People with dementia will have changes in how they interpret what they see, hear taste, smell and feel. The manifestations are unique to the individual so it can be difficult to interrupt and offer a uniformed plan of care. The one size fits all approach cannot be applied to patients with dementia but it is acknowledged that all patients with dementia will find admission to hospital challenging as they will struggle with orientation to an unfamiliar environment. Patients with dementia in hospital are more likely to have an increased length of stay, fall and sustain injury, dehydration and development of pressure sores.

The dementia and delirium outreach team was established in November 2014 as part of Solihull's commitment towards developing a dementia friendly hospital and improving the experience of patients with dementia in the acute environment. The team operates as both a reactive (patients referred to the team) and proactive (team actively seeks out patients with dementia and delirium within the hospital). The team provides practical advice and support to staff for enhanced observation. Current data suggests that there are between 30-45 patients with a diagnosis of dementia in Solihull Hospital at any one time. Data is currently being collected to start evaluation but this initiative is very much around quality and it can be difficult to quantify outcomes.

The team also supports the transfer of patients to Ardenlea Grove where we have eight dementia assessment beds. These beds are also supported by the virtual ward community matron, an older adult

psychiatrist and an enhanced assessment Band seven registered mental health nurse from Birmingham and Solihull Mental Health Trust, a GP, an allocated social worker and an acute geriatrician. The concept being that the assessment process is undertaken away from the acute environment and enables patients to return their own homes whenever possible. This is a totally integrated service which is currently being evaluated by Solihull CCG.

Maternity services

In 2012 the trust agreed to explore how it might invest in future facilities for women and babies at Heartlands hospital.

Many staff (over 400) who work in maternity and neonatal services were consulted along with patients and key stakeholders to determine the scope of the project. It was broadly agreed that this was not simply about building a new facility but that this was an opportunity to look at how care for women and their families needed to be developed in the coming years and therefore understanding what the facilities at Heartlands Hospital would need to offer to deliver that care.

Several sub projects were agreed and progressed, these included the development of a transitional care facility; the development of an information system that allowed for good reliable information to be available to staff who manage patient care and a postnatal pathway for women that gave some standardisation to how care was delivered across all three sites.

With a visit from the president of the Royal College of Midwives in the summer of 2014 midwives, obstetricians and representation from the maternity liaison committee held a workshop to consider ways of working in the proposed new facility. The professional debate lead to a set of care principles that have been used to influence the design of an "alongside maternity unit" offering both midwifery led and obstetric led care.

In terms of the new facility an options appraisal process has been undertaken to establish the best design solution capable of delivering the required number of births focusing on the labour ward, bereavement facilities and neonatal unit.

Babies flourish on new Blossom Unit

Mums and their babies are benefiting from a new unit at Heartlands Hospital, just one of the areas of work completed as part of Project Pelican, which is dedicated to transforming our women's and children's services.

The Blossom Transitional Care Unit has been designed to provide care for babies that are well but require some extra support with for example, extra observations or antibiotics. The team of neonatal nurses and midwives on the unit are also on hand to help mums care for their babies. This reduces any unnecessary separation of mums, improving the experience and quality of care they receive.

Over 100 babies have been on the unit since it opened its doors earlier this year, including Claire Worrall and daughter, Poppy Worrall-Bhasin who were among the first patients on the unit. Claire said: "The Blossom Unit was a nice, quiet and relaxed unit. There was plenty of staff on standby from the neonatal unit due to Poppy being a premature baby. She had been in critical care with lots of machines wired to her. I benefited from staying there and getting the support and reassurance that I was doing everything right."

For further information about Blossom Unit or any other aspects of Project Pelican email: projectpelican@heartofengland.nhs.uk

Part 4:

Statements from stakeholders

Statement from Solihull Clinical Commissioning Group

1. Commissioners acknowledge that this has been an extremely challenging year for Heart of England Foundation Trust (HEFT) in terms of performance and quality of care, particularly in relation to the ED. The trust is subject to MONITOR enforcement undertakings and there have been a number of senior leadership changes.
2. The Trust account provides a reasonably balanced reflection of the year experienced and commissioners believe it demonstrates both the recognition of the need, and, the will to implement improvements and to more importantly sustain those improvements going forward. We are however disappointed that the account does not reflect detailed information on community services as required stated 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 in light of the fact that both services have undergone peer review during the year.
3. A significant focus during the year was on the Trusts headline priority 'fundamentals of care'. As clinical commissioners, our aim is to ensure that our patients receive the best care they can, therefore we support this aim and through our programmes of announced, unannounced and fundamentals of care visits, we have tested the experience and the views of patients first-hand. The outcomes of these visits have not been reflected in the Quality Account.
4. It would have been helpful to have had an overview of workforce recruitment, deployment and retention as this has been a challenge for the Trust. It is encouraging that staff engagement will be a key objective for 15/16 as a positive staff experience leads to a positive patient experience. The Trust has reflected on a number of mechanisms to gain patient experience feedback and there are some positives identified through the national patient surveys especially in relation to cancer care. Commissioners look forward to the Trust building on this programme of work to improve the experience for patients especially in the Emergency Departments which have traditionally highlighted a less positive patient experience.
5. Many of the areas of focus demonstrate some improvements towards the end of the year. This is evident in the work relating to falls reduction and demonstrated through the challenge in achievement of some of the CQUINs.
6. We support the Trust's future plans to continue to reduce falls rates and acknowledge the additional clinical investment of a further falls co-ordinator. The Trust recognises that they have not achieved the required improvements in pressure ulcer and falls reduction. Commissioners are concerned that we are still seeing relatively high levels of pressure ulcers and falls. We hope that the newly established Tissue Viability Strategy Group and the appointment of the additional falls specialists, with senior clinical leadership through the Deputy Chief Nurses, will drive the improvements required.
7. Care of individuals with dementia is a clear priority within the NHS supported by Commissioners. We recognise that the Trust participated in the national dementia CQUIN and participated in a dementia summit held in Solihull, however, further work is required to find and refer dementia patients. Dementia 'Discharge to Assess' beds have been commissioned and this has resulted in people being discharged home following additional support.
8. The Trust has continued to place focus on discharge arrangements and has implemented a number of systems to improve arrangements and ensure patients are discharged in a timely manner. It is noted through the patient experience work-streams that patients still feel that there could be improved communication in relation to discharge arrangements however the discharge hubs now in place across all 3 inpatient sites should help to further facilitate improvements. Patient experience needs to be integrated into the discharge plans to ensure on going sustainable improvements.
9. **Patient safety** is of key importance to Commissioners and the Trust's Quality Account details some

of the work-streams undertaken. Reference is made to the Trust's commissioned mortality review which identified some shortfalls in governance. Additionally a governance review undertaken by Deloittes made reference to a number of shortfalls in governance systems. It is disappointing that some of the more clinically driven CQUINs (eg sepsis care and management of deteriorating patients) did not yield the benefits anticipated and again commissioners' reflection is that these were not fully focussed on until the latter part of the year. The Trust has reported one never event during 2014/2015 which is a significant improvement on the previous year.

10. Equality & diversity – Commissioners are disappointed that the Quality Account omits to detail the equality and diversity systems and framework the Trust has to ensure that it can effectively meet the needs of individuals with protected characteristics however it is evident that there has been some specific work with the local Muslim community and to support the requirements of individuals with Learning Disabilities.
11. Safeguarding – There is little information in relation to Safeguarding. The Trust was involved in a CQC review of Safeguarding for Solihull during February 2014 and a CQC review of Safeguarding for Birmingham September 2014. Both reviews highlighted good areas of practice for example the Female Genital Mutilation (FGM) clinics and processes for identifying children at risk however it was recommended that systems at Good Hope Hospital needed to be strengthened. The Trust has also participated in the development of the Birmingham Multiagency Safeguarding Hub (MASH) and are currently working with Solihull to implement a similar service.
12. We support the priorities for quality improvement although we would have liked a broader approach to capturing and acting on patient feedback to improve patient experience in the Emergency Department in addition to the Friends and Family Test.
13. Commissioners are sighted on the breadth of challenges the Trust faces during 2015/16 to make the improvements required. Commissioners will work collaboratively with the Trust providing challenge as appropriate to ensure that the quality of care provided meets required standards.

[7]The 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

Further to receipt of the statement above, we have now expanded the introduction of this document to include a list of selected contents of the Annual Report (of which the Quality Account forms part of). This signposts to some of the topics the commissioners would have liked to have seen in this account (specifically covering points four and ten above).

We have also added details regarding the visits carried out throughout the trust by the CCG into the Care Quality Commission section.

Statement from Birmingham Healthwatch Organisation

Healthwatch Birmingham continues to work in partnership with stakeholders to contribute towards the outcomes for quality improvement in order to enhance the provision of services for patients. This is further evidenced in the current programme of activity we are completing around patient care.

The initiatives captured from the outset of the Heart of England NHS Foundation Trust Draft Quality Account 2014/2015 report highlight the progress made by the Trust in this area. The privacy, dignity and well-being of patients referenced throughout the report represents good communication and will ultimately lead to user-led outcomes in service delivery. The report further sets out a clear pathway around this by taking account of the key indicators and mechanisms to support change & improvement.

We would like to commend the actions and developments of the chief executive, staff, and all contributors to date. We look forward to seeing further evidence of outcomes for the people of Birmingham and the future of this vibrant city.

Statement from Solihull Healthier Communities Board

We, as a Scrutiny Board, considered the draft Quality Account at the formal Scrutiny Board meeting that took place on Tuesday 31st March 2015. At the meeting we were made aware that some of the content of the draft Quality Account was mandated and therefore was in a less accessible format. We were also advised that over the forthcoming 12 months, the Trust had made the conscious decision to only focus on four key improvement priorities and that work on existing priorities would be channelled through other strategies.

In terms of style and structure, we felt that more work needed to be undertaken to make the Quality Account more accessible to the public, for example by including an Executive Summary which pulls out the key messages and an acronyms, glossary and key definition section to make the document easier to understand. They also felt that some of the graphs / charts (e.g.in respect of Stroke) were difficult to decipher and would benefit from some better contextual and explanatory information.

We noted that there was some under-performance in respect of health professionals completing a Common Assessment Framework (CAF) within the seven day statutory timescales and that the Trust was struggling with filling out all of the associated paperwork. We hope that the development of the more simplified Early Help systems will help to boost performance over the next 12 months.

We are aware that there have been some leadership and governance issues within the Trust this year, which has affected progress being made on key programmes such as progressing the development of the Urgent Care Centre (UCC) on the Solihull Hospital site and we had to write to the Trust about some of our concerns. However, we are now pleased to note that the CCG and the Trust are working together on taking forward the development of the UCC and we will continue to have oversight of its development over the next 12 months.

We note there is a lot of work being undertaken led by the new Interim Chief Executive to listen to staff and this is encouraging. We urge the Senior Management Team to take forward key actions/ issues raised by staff such as moving forward with the establishment of a fruit and veg stall outside Heartlands Hospital for the benefit of patients, staff and visitors to the Hospital.

We probed about the fundamental of care and the need to maintain sufficient staffing at evenings and weekends and we told that there was regular reviews/e-rostering to manage staff capacity and ensure that it is responsive to need. We also feel that the proposed medium term plans to create more capacity in A & E at Heartlands Hospital is a step in the right direction and we look forward with interest to see how this develops as we are mindful about the sustainability of managing a congested service over a prolonged period of time.

As a Board we felt that work needs to be undertaken in the following areas;

- Improving patient experience – we noted the low satisfaction levels and wish for this to be looked at and addressed.
- Ensuring that handover to hospital times is significantly improved. We note that there is currently a review of the HALO service that helps deal with this and we urge you to carefully consider any adverse effects if you decide not to sustain this service.
- Improving current hospital discharge arrangements. We hope that the proposed re-opening of the discharge lounges and workforce co-ordination will have a positive effect.
- Improving quality of care through strengthening Patient Voice and proactively embedding the Nursing Code of Conduct.

Overall, we welcome the opportunity to comment on the Trust's Quality Account and look forward to working with the Trust over the next 12 months. In particular, we are keen to see the findings of the recent CQC Inspection and what action the Trust is going to take on identified areas for improvement.

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.

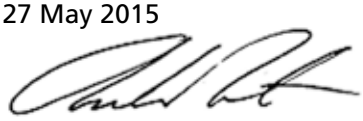
In preparing the Quality Report, directors are required to take steps to satisfy themselves that:

- the content of the Quality Report meets the requirements set out in the NHS Foundation Trust Annual Reporting Manual 2014-15 and supporting guidance;
- the content of the Quality Report is not inconsistent with internal and external sources of information including:
  - Board minutes for the period April 2014 and up to the date of signing this limited assurance report (the period);
  - papers relating to the Quality Report reported to the Board over the period April 2014 to the date of signing this limited assurance report;
  - feedback from the Commissioners Solihull Clinical Commissioning Group dated 22 April 2015;
  - feedback from Local Healthwatch organisation, Healthwatch Birmingham, dated 1 April 2015;
  - the trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009 – KO41A dated May 2015;
  - feedback from other named stakeholders, Solihull Health and Wellbeing Scrutiny Board, dated 21 April 2015;
- the 'Care Quality Commission – Patient survey report 2014 - Survey of adult inpatients 2014 Heart of England NHS Foundation Trust' latest national and local patient survey dated 2014;
- the '2014 National NHS staff survey – Brief summary of results from Heart of England NHS Foundation Trust' latest national staff survey dated 2014;
- the Care Quality Commission Intelligent Monitoring Report – Draft Report on Heart of England NHS Foundation Trust dated May 2015; and
- the Head of Internal Audit's annual opinion over the trust's control environment dated 22 April 2015.
- 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

Mr Les Lawrence
Chair
27 May 2015



Mr Andrew Foster
Chief executive
27 May 2015

Appendices

Apendix 1: Clinical audit

Audit Title	Participation in 2014-2015	% of cases submitted
Acute care		
Adult Community Acquired Pneumonia	✓	100%
Case Mix Programme (CMP)	✓	100%
Major Trauma: The Trauma Audit & Research Network (TARN)	✓	63.5% (no concerns as in line with national average)
National Emergency Laparotomy Audit (NELA)	✓	65% (limited participation due to resource issues
National Joint Registry (NJR)	✓	100%
Pleural Procedure	✓	100%
Blood and Transplant		
National Comparative Audit of Blood Transfusion programme	x	Agreed non-participation as first pilot year
Cancer		
Bowel cancer (NBOCAP)	✓	100%
Head and neck oncology (DAHNO)	✓	100%
Lung cancer (NLCA)	✓	100%
Oesophago-gastric cancer (NAOGC)	✓	100%
Prostate cancer	✓	100%
Heart		
Acute Coronary Syndrome or Acute Myocardial Infarction (MINAP)	✓	100%
Cardiac Rhythm Management (CRM)	✓	100%
Congenital Heart Disease (Paediatric cardiac surgery) (CHD)	x	N/A
Coronary Angioplasty/National Audit of PCI	✓	100%
National Adult Cardiac Surgery Audit	x	N/A
National Cardiac Arrest Audit (NCAA)	✓	100%
National Heart Failure Audit	✓	10-56% (limited participation due to resource issues)
National Vascular Registry	✓	100%
Pulmonary Hypertension (Pulmonary Hypertension Audit)	x	N/A
Long term conditions		
Chronic Kidney Disease in primary care	x	N/A
Diabetes (Adult)	✓	In progress
Diabetes (Paediatric) (NPDA)	✓	100%

Inflammatory Bowel Disease (IBD) programme	✓	52% (All eligible patients were submitted, however this falls short of the figure the audit provider requested.)
National Chronic Obstructive Pulmonary Disease (COPD) Audit Programme	✓	30-67% (Selection bias against Good Hope Hospital (30%). Staffing and difficulties in reviewing notes.)
Renal replacement therapy (Renal Registry)	✓	100%
Rheumatoid and Early Inflammatory Arthritis	✓	100%
Mental Health		
Mental Health (care in emergency departments)	✓	100%
National Confidential Inquiry into Suicide and Homicide for people with Mental Illness (NCISH)	×	N/A
Prescribing Observatory for Mental Health (POMH)	×	N/A
Older People		
Falls and Fragility Fractures Audit Programme (FF-FAP)	✓	100%
Older people (care in emergency departments)	✓	100%
Sentinel Stroke National Audit Programme (SSNAP)	✓	100%
Other		
Elective surgery (National PROMs Programme)	✓	100%
National Audit of Intermediate Care	✓	100%

Indicator	Jan 2013 – Dec 2013	Apr 2013 – Mar 2014	Trust performance Latest Jul 2013 – Jun 2014	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	1.099	1.082	1.0916 (band 2)	1.0000	0.541 (RKE)	1.198 (RPA)
The percentage of patient deaths with palliative care coded at either diagnosis or specialty level for the trust for the reporting period	13.6%	17.5%	20.9%	24.6%	0% (RKE)	49% (RM3)

British Society for Clinical Neurophysiology (BSCN) and Association of Neurophysiological Scientists (ANS) Standards for Ulnar Neuropathy at Elbow (UNE) testing	×	N/A
Women's & Children's Health		
Epilepsy 12 audit (Childhood Epilepsy)	✓	100%
Fitting child (care in emergency departments)	✓	100%
Maternal, Newborn and Infant Clinical Outcome Review Programme (MBRRACE-UK)	✓	100%
Neonatal Intensive and Special Care (NNAP)	✓	100%
Paediatric Intensive Care Audit Network (PICANet)	×	N/A
National confidential enquiries (NCEPOD)		
NCEPOD Gastrointestinal Haemorrhage Study)	✓	100%
NCEPOD Sepsis study	✓	in progress
Lower Limb Amputation	✓	100%
Tracheostomy Care	✓	100%

Apendix 2: National quality indicators

Data correct up to Feb 2015

SHMI : The value and banding of the summary hospital-level mortality indicator ("SHMI") for the trust for the reporting period

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 marked spike in hospital mortality as measured by both HSMR and SHMI for this period. The SHMI remains within the 'expected band' (band 2).
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 – with often with complex comorbidities
- during late 2012, and into 2013, a significant reduction in patients coded as palliative care which with risk adjustment affects HSMR although not SHMI
- admission avoidance schemes introduced, so only the sicker patients were admitted (with an attendant impact on case mix)

During 2013 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.

In the autumn of 2014 the board commissioned an external review of mortality by Mr Silverman, deputy medical director of the Trust Development Authority. This report produced a number of recommendations and these have been combined with other mortality reduction initiatives into an overarching plan to reduce mortality.

The Heart of England NHS Foundation Trust has taken the following actions to improve this score, and so the quality of its services, by the actions identified below. This list is not exhaustive.

Development of a combined quality improvement plan to include:

- improving mortality governance
- service transformation to address congestion
- staff engagement
- improving coding and data quality within the clinical record and mortality quality improvement projects
- quality improvement projects
- Improving time of STAT dose antibiotics
    - Reinstatement of the deteriorating patient recognition group to focus on sepsis, MEWS escalation, electronic observation systems, cardiac arrest and DNAR
    - CQUIN for deteriorating patient
    - NHS QUEST breakthrough series collaborative for deteriorating patient
    - Sepsis quality improvement work
- continue to monitor, review and explore our mortality data to help focus any improvement activities including the trial of the CRAB data analysis tool

Palliative Care

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

- An internal process flaw which resulted in a significantly lower number of trust palliative care episodes being recorded. This was discovered in April 2013 and addressed as below.

The Heart of England NHS Foundation 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 and for time period Jul 13 – Jun 14. Although this has shown a marked increase it is below the national average
- Towards the latter part of 2014 we also noted that we were not including patients for whom palliative care advice had been provided by telephone call as allowed following changes in coding rules. This has been addressed
- There have been appointments to the palliative care team over the last year with an increase of one whole time equivalent (WTE) consultant and three WTE clinical nurse specialists (CNS) which has allowed us to see more patients and increase the provision of advice to staff caring for patients.

patient reported outcome measures scores	Trust performance Latest Apr 12 – Mar 13	Trust performance Latest Apr 13 – Mar 14	Trust performance Latest Apr 14 – Sep 14	National Average	Lowest reported Trust	Highest Reported Trust
(i) groin hernia surgery	0.095	0.115	0.104	0.081	0.009	0.125
(ii) varicose vein surgery	0.115	0.110	0.115	0.100	0.054	0.142
(iii) hip replacement surgery	0.397	0.412	0.361	0.442	0.350	0.501
(iv) knee replacement surgery	0.311	0.315	0.306	0.328	0.249	0.394

Data correct up to Feb 2015

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

- The trust has focused on trauma & orthopaedic (T&O) PROMS due to being an outlier in the CQC Intelligent Monitoring Report.
- Age and socioeconomic differences; data submitted as part of a benchmarking exercise "Civil Eyes Research" substantiate this view.
- Over the last four months the fit healthy joints have been sent to have their procedure in the private sector leaving the tougher, more complex longer length of stay patients at the trust.

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

- re-launching the enhanced recovery work at Solihull Hospital; and
- improving the understanding of the data, this will be included on future agendas for the T&O directorate.

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%	10.26%	0.00%	14.94%
(ii) 16 or over	13.18%	14.06%	12.81%	11.45%	0.00%	17.15%

Data correct up to Feb 2015

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

- The data is produced by the health and social care information centre but it should be noted that it is three years old.

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

- improving data quality particularly in the light of the trust clinical system change
- Developing intelligence in relation to readmission rates, variance and causative factors.
- Further improving discharge practice including the quality of support to patients regarding discharge practice
- Working in partnership with commissioners and community providers to improve pathways between primary and secondary care
- reviewing specialties that appear to be outliers to address any clinical concerns or process factors.

Indicator	2011/12	2012/13	Trust performance Latest 2013-14	National Average	Lowest reported Trust	Highest Reported Trust
trust's responsiveness to the personal needs of its patients during the reporting period	66.5	65.2	63.6	68.7	54.4	84.2

Data correct up to Feb 2015

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

The data reflects that the organisation has dealt with increasing demand and the challenges associated with being one of the largest and most diverse providers of acute healthcare in the country.

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

Focusing on staff engagement locally as a means to understanding what improvements need to be made and to empower staff to initiate these.

Additionally Schwartz rounds have been implemented and will be developed to allow staff time for reflection and for sharing of experience across staff groups.

The patient experience standards measured locally have been altered over the previous year and we have increased the amount of feedback we receive. We will continue to refine these methods and improve access to the information to help staff drive improvements in their areas, in tandem with the focus on staff engagement.

We will also look to make better use of the qualitative feedback provided by patients, carers and relatives and make this more meaningful to the staff in clinical areas.

We are also implementing a project focusing on the experiences of carers which is funded by Health Education West Midlands.

We will develop how we provide care to patients who have dementia and our research we are currently doing with patients, carers and relatives on person centeredness will help us to develop this.

We are implementing a follow up service for carers and relatives who suffer bereavement. This is to offer any support that they may need to help them cope with the loss. It will also allow them the opportunity to ask any questions they may be unsure of whilst their loved one was a patient with us.

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

- the climate and challenges within Heart of England and the NHS as a whole have had an impact on staff morale, and on their views and perceptions of the care delivered
- The trust has seen no significant change in its positive recommender score on this metric point year on year, however the organisational development approach started by the trust in 2014 is starting to show results. From the Staff FFT Q1 measure (June 2014), to the NSS (Dec 2014), there has been a sizeable movement from "Extremely Unlikely / Unlikely" into "Neither/ Nor" which we believe is an indicator of change.
- The trust has increased the opportunities for staff to give feedback, spent an increased time listening, and is confident that its 2015 approach will continue to significantly build on the early positive change seen so far.

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

- CEO providing clear priorities to all staff, with staff engagement in the top three priorities.
- Development of a trust-wide culture engagement plan based on staff feedback received, focused on staff engagement, values led culture and leadership development
- Commitment to funding for additional resource to drive the engagement agenda throughout the organisation, and partnership working with successful trusts
- Continued implementation of key initiatives from 2014 diagnostics and staff feedback, across four key enablers (strong strategic narrative, engaging managers, employee voice and organisational integrity)
- Introducing and embedding structured engagement approach, based on Wrightington, Wigan & Leigh model. Includes trust-wide listening and celebration events, team engagement programme, improved diagnostics, focused toolkit
- Increased responsiveness – use of quarterly Staff Friends and Family survey, and full census NSS to more regularly update and adapt engagement planning
- Development of trust values underway, with involvement of 900 members of staff to date via 'drop-in' sessions, with opportunity for all staff to take part via Staff FFT
- Continuation of staff engagement steering group (staff led group) to analyse staff FFT, and to develop ideas and solutions to key engagement issues

Indicator	2012	2013	Trust performance Latest 2014	National Average	Lowest reported Trust	Highest Reported Trust
percentage of staff employed by, or under contract to, the trust during the reporting period who would recommend the trust as a provider of care to their family or friends	52.97%	52.97%	47.66%	64.71%	38.17 (REF)	89.27% (RDU)

Data correct up to Feb 2015

The Heart of England NHS Foundation 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 attending for day surgical procedures, assessment areas (both medical and surgical), short stay surgical wards with patients mobilising soon after their elective procedures, intensive care unit where patients are commenced on prophylaxis immediately on admission. In areas such as day procedures unit and critical care unit we currently do not use trust electronic prescribing systems which automatically prompt users to perform VTE RA. In post-operative surgical patients who are at high risk of DVTs patients are commenced on prophylaxis. If these patients are excluded from these assessments, the performance on this screening procedure would enable higher screening rates.

The Heart of England NHS Foundation Trust intends to take the following actions to improve this percentage of patients undergoing the VTE risk assessment, 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 exclude them from requiring a VTE risk assessment as per our policy. Intensive care unit and post-operative surgical patients on elective thromboprophylaxis will also be excluded from this assessment
- Raise awareness of the need to perform a VTE RA in those areas who admit patients for greater 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 electronic prescribing system to all clinical inpatient areas

Work with IT department to automated e-mail reminders that VTE RA's have not been performed on specific inpatients. Specific consultant based performance are now being released on a monthly basis to improve compliance with this screening programme.

Indicator	Sep-14	Oct-14	Trust performance Latest Nov-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	95.08%	94.54%	95.09%	95.99%	4.86% (RGT)	00.00% (Several trusts)

Data correct up to Feb 2015

The Heart of England NHS Foundation 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 2010-2011 year, which is due to a comprehensive C. Diff. control programme which includes:

- A deep cleaning programme across all three of the hospital sites
- Root cause analysis of all post-48 hour cases of C. Difficile; carried out jointly with CCG and feed-back given to clinical and ward teams
- Detailed period of increased incidence (PII) reviews with feedback for wards with two or more cases of post 48 hours C. Difficile in any 28 day period
- Typing of individual strains of C. Difficile to identify transmission incidents and outbreaks thus facilitating timely and effective management
- Twice weekly review of all post 48 hour cases of C. Difficile by the infection prevention and control team

The Heart of England Foundation NHS Trust has taken the following actions to improve this rate, and so the quality of its services by:

- The use of the new agent fidaxomycin into the treatment algorithm for C. Difficile
- 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	2011/12	2012/13	Trust performance Latest 2013/14	National Average	Lowest reported Trust	Highest Reported Trust
rate per 100,000 bed days of cases of C.difficile infection reported within the trust amongst patients aged 2 or over during the reporting period	24.4	17.1	16.7	14.7	0.0	37.1

Data correct up to February 2015

The Heart of England NHS Foundation 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 7,570 and the number of such patient safety incidents that resulted in severe harm or death as 82.

The percentage of severe harm/death incidents quoted above is also noted to be inaccurate and should be 1.14%. This has arisen as a result of adding the rounded percentages of 1.0% and 0.2% for severe and death respectively from the NRLS feedback report, rather than using (87/7,610)*100.

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. We have had a relatively stable incident reporting profile for the last few years with approximately 20,000 incidents reported in 2014. These incidents include patient safety incidents, which are subsequently uploaded to the National Reporting and Learning System (NRLS), data for which are shown above. The remaining incidents are those that affect staff or property, or where the patients involved were not in the care of the trust at the time of the incident occurring, for example non-hospital acquired pressure ulcers.

As part of our incident reporting process we identify patient safety 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 we have continued 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 Heart of England NHS Foundation Trust intends to take the following actions to improve this rate, and so the quality of its services, by:

- Implementation of a revised incident reporting, management and learning policy to support staff in learning from incidents and strengthening local feedback on reported incidents
- Revise the training and resources available to support incident investigation and management, providing "root cause analysis master-classes" for clinical investigation leads

Indicator	Apr 13 – Sep 13	Oct 13 – Mar 14	Trust performance Latest Apr 14 – Sep 14	National Average	Lowest reported Trust	Highest Reported Trust
number of patient safety incidents reported within the trust during the reporting period	7,757	7,610	7,383	4,196	35 (RP5)	12020 (RW3)
rate of patient safety incidents reported within the trust during the reporting period	7.04	6.91	33.97	-	0.24 (RP5)	74.96 (RBZ)
the number of such patient safety incidents that resulted in severe harm or death.	68	87	95	2851	0 (several trusts)	97 (RWJ)
percentage of such patient safety incidents that resulted in severe harm or death.	0.90%	1.20%	1.30%	1.11%	(several trusts)	3.05% (RF1)

Glossary

Term	Definition
CCG	Clinical Commissioning Group
FFT	Friends and Family Test
6Cs	National nursing initiative
Root Cause Analysis (RCA)	A process for identifying the basic or causal factor(s) that underlie variation in performance
Executive Management Board	Hospital trust management
National Safety Thermometer	The NHS Safety Thermometer provides a quick and simple method for surveying patient harm and analysing results so that you can measure and monitor local improvement and harm free care over time
VITAL	Training package
KPI	Key performance indicator
SSKIN	5 step model for pressure ulcer prevention
MDT	Multi-disciplinary team meeting
Best Practice Tariff (BPT)	A national tariff that has been structured and priced to incentivise and adequately reimburse care that is high quality and cost effective
'About me' tool	A tool for people with dementia to complete that lets health and social care professionals know about their needs, interests, preferences, likes and dislikes
'Ticket home'	Informs the patient & carer/family about all aspects of their discharge, from the time of admission
MEWS	The modified early warning score (MEWS) is a simple guide used by hospital nursing & medical staff to quickly determine the degree of illness of a patient
CQUIN	The Commissioning for Quality and Innovation Payment Framework enables commissioners to reward excellence, by linking a proportion of English healthcare providers' income to the achievement of local quality improvement goals.
SHMI	SHMI is a hospital-level indicator which reports mortality at trust level across the NHS in England using standard and transparent methodology. This indicator is being produced and published quarterly by the Health and Social Care Information Centre.
Daily Harm	The daily harm is a report that is ran every day from the corporate nursing team and highlights to the ward the number of hospital acquired pressure ulcers and falls that have been reported in the preceding 24hrs. The information is displayed on a monthly calendar by site so each ward can see at a glance the number of reported pressure ulcers and falls are noted for each ward. The information is raw data so does not determine if the pressure ulcers are avoidable or not

Auditors Limited Assurance Report

Independent Auditors' Limited Assurance Report to the Council of Governors of Heart of England NHS Foundation Trust on the Annual Quality Report

We have been engaged by the Council 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 2015 (the 'Quality Report') and specified performance indicators contained therein.

Scope and subject matter

The indicators for the year ended 31 March 2015 subject to limited assurance (the "specified indicators"), marked with the symbol Ⓐ in the Quality Report, consist of the following national priority indicators as mandated by Monitor:

Specified indicators	Specified indicators' criteria (exact page number where criteria can be found)
Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period	Page 129 "18 week incomplete pathways."
Maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers	Page 132 "Patients receiving their first definitive treatment for cancer within 2 months (62 days) of GP or dentist urgent referral for suspected cancer."

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 the 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 2014/15" 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 2014/15";
- 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 "2014/15 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 the "Detailed requirements for quality reports 2014/15; 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 2014 and up to the date of signing this limited assurance report (the period);
- papers relating to the Quality Report reported to the Board over the period April 2014 to the date of signing this limited assurance report;
- feedback from the Commissioners Solihull Clinical Commissioning Group dated 22 April 2015;
- feedback from Local Healthwatch organisation, Healthwatch Birmingham, dated 1 April 2015;
- the Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009 – KO41A dated May 2015;
- feedback from other named stakeholders, Solihull Health and Wellbeing Scrutiny Board, dated 21 April 2015;
- the 'Care Quality Commission – Patient survey report 2014 - Survey of adult inpatients 2014 Heart of England NHS Foundation Trust' latest national and local patient survey dated 2014;
- the '2014 National NHS staff survey – Brief summary of results from Heart of England NHS Foundation Trust' latest national staff survey dated 2014;
- the Care Quality Commission Intelligent Monitoring Report – Draft Report on Heart of England NHS Foundation Trust dated May 2015; and
- the Head of Internal Audit's annual opinion over the Trust's control environment dated 22 April 2015.

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 Council of Governors of Heart of England NHS Foundation Trust as a body, to assist the Council 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 2015, to enable the Council of Governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicators. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors as a body and 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 2014/15";
- reviewing the Quality Report for consistency against the documents specified above;
- obtaining an understanding of the design and operation of the controls in place in relation to the collation and reporting of the specified indicators, including controls over third party information (if applicable) and performing walkthroughs to confirm our understanding;
- based on our understanding, assessing the risks that the performance against the specified indicators may be materially misstated and determining the nature, timing and extent of further procedures;
- making enquiries of relevant management, personnel and, where relevant, third parties;
- considering significant judgements made by the NHS Foundation Trust in preparation of the specified indicators;

- performing limited testing, on a selective basis of evidence supporting the reported performance indicators, and assessing the related disclosures; and
- reading the documents.

A limited assurance engagement is less in scope than a reasonable assurance engagement. The nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

Limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time. It is important to read the Quality Report in the context of the assessment criteria set out in the FT ARM the "Detailed requirements for quality reports 2014/15 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.

Basis for Disclaimer of Conclusion – Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways

The Trust reports monthly to Monitor on the Incomplete 18 Weeks indicator, based on the waiting time of each patient who has been referred to a consultant but whose treatment is yet to start. The Trust has been unable to report against this target since the implementation of a new Patient Administration System (PMS2) in July 2014 and is unable to access records from the previous Patient Administration System (HISS) for performance for April to July 2014. As a result, we have been unable to access data to verify the waiting period from referral to treatment.

Conclusions (including disclaimer of conclusion on the Incomplete Pathways indicator)

Because the data required to support the indicator is not available, as described in the Basis for Disclaimer of Conclusion paragraph, we have not been able to form a conclusion on the Incomplete Pathways indicator.

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 2015:

- 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 report 2014/15";
- The Quality Report is not consistent in all material respects with the documents specified above; and
- The Cancer Waits indicator has not been prepared in all material respects in accordance with the Criteria and the six dimensions of data quality set out in the "Detailed guidance for external assurance on quality reports 2014/15."

PricewaterhouseCoopers LLP
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

Date

The maintenance and integrity of the Heart of England NHS Foundation Trust's website is the responsibility of the directors; the work carried out by the assurance providers does not involve consideration of these matters and, accordingly, the assurance providers accept no responsibility for any changes that may have occurred to the reported performance indicators or criteria since they were initially presented on the website.

Governance

Directors' report

The board and board committees

The directors serving on the board during the year ended 31 March 2015 were:

Mr Jonathan Brotherton – director of operations (appointed 4 March 2015)
Dr Patrick Cadigan – non-executive director \ † ‡
Mr Darren Cattell – interim director of finance and performance (appointed 19 January 2015)
Dr Andrew Catto – medical director and interim deputy chief executive (interim chief executive 14 November 2014 – 16 February 2015)
Mr Andrew Edwards - non-executive director \ ‡ (appointed 1 October 2014)
Mr Andrew Foster – interim chief executive • (appointed 16 February 2015)
Mrs Sam Foster – chief nurse (appointed 1 September 2014, previously Acting chief nurse)
Ms Hazel Gunter – director of workforce and organisational development (appointed 4 March 2015)
Mr Simon Hackwell – commercial and strategy director (resigned 31 May 2014)
Lord Philip Hunt – chairman \ ‡ • (resigned 31 May 2014)
Ms Karen Kneller - non-executive director \ ‡ (appointed 1 October 2014)
Mr Les Lawrence – chair \ ‡ • (appointed 1 June 2014, previously Non-executive director, deputy chair and senior independent director)
Mr David Lock QC - non-executive director and senior independent director \ † ‡
Ms Alison Lord - non-executive director and deputy chair \ † ‡ •
Dr Mark Newbold – chief executive • (resigned 30 November 2014)
Prof Edward Peck – non-executive director \ † ‡ (resigned 31 July 2014)
Mr Aidan Quinn – interim director of finance and resources (appointed 1 June 2014, resigned 16 January 2015)
Dr Jammi Rao - non-executive director\ † ‡
Dr Clive Ryder – interim medical director (appointed 14 November 2014, resigned 16 February 2015)
Prof Laura Serrant – non-executive director \ † ‡
Mr Adrian Stokes – director of delivery and deputy chief executive
Ms Lisa Thomson - director of patient experience and external affairs (resigned 31 March 2015)
Dr Sarah Woolley - director of safety and organisational development (resigned 31 August 2014)

\ Independent † Audit Committee ‡ Remuneration Committee
• Nominations Committee

In addition to the chair, 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 166 to 168.

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 roles 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 page 12.

The principal board committees comprise:

- Audit committee
- Finance & performance committee
- Information management & technology committee
- Nominations committee
- Quality & risk committee
- Remuneration committee
- Workforce development and welfare committee

Their terms of reference are available from the company secretary on request.

Directors' attendance at meetings

The table below shows the attendance of directors at Board and key committee meetings during the year ended 31 March 2015.

Meetings	Board		Audit Committee		Remuneration Committee		Nominations Committee	
	13		7		7		1	
Director	Attended	Relevant number	Attended	Relevant number	Attended	Relevant number	Attended	Relevant Number
J Brotherton	2	2	-	-	-	-	-	-
P Cadigan	10	13	1	1	5	7	-	-
D Cattell	3	3	-	-	-	-	-	-
A Catto	11	13	-	-	-	-	-	-
A Edwards	7	7	-	-	3	3	-	-
A Foster	2	2	-	-	-	-	1	1
S Foster	10	13	-	-	-	-	-	-
H Gunter	2	2	-	-	-	-	-	-
S Hackwell	1	2	-	-	-	-	-	-
P Hunt	2	2	-	-	1	2	-	-
K Kneller	4	7	0	2	1	3	-	-
L Lawrence	13	13	-	-	7	7	1	1
D Lock	12	13	2	7	7	7	-	-
A Lord	10	13	7	7	6	7	1	1
M Newbold	7	8	-	-	-	-	-	-
E Peck	1	5	0	3	2	4	-	-
A Quinn	8	8	-	-	-	-	-	-
J Rao	9	13	4	7	5	7	-	-
C Ryder	3	3	-	-	-	-	-	-
L Serrant	8	13	3	5	3	7	-	-
A Stokes	7	13	-	-	-	-	-	-
L Thomson	10	13	-	-	-	-	-	-
S Woolley	0	5	-	-	-	-	-	-

Note: The key committees are identified in the NHS Foundation Trust Code of Governance.

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, quality 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 ad any financial information contained in other official documents including the annual governance statement and
- Review the trust arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other mattes and ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action.

In 2014-15 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 and the head of corporate risk and compliance, together with reports from both the internal and external auditors.

The director of finance reports highlighted the key issues the trust faced in financial reporting in the year. There were no changes in accounting policy required by Monitor's Annual Reporting Manual (ARM) in the year so the committee agreed to the trust's accounting policies remaining largely unchanged. These reports have highlighted to the committee the changes that will be required in the external audit opinion due to the impact of the corporate governance code as well as the possible impact on the audit opinion of the Monitor enforcement undertakings . The committee reviewed the progress of the quality report and reinforced the need for the quality and risk committee to oversee the assurance over the production of the report and the data included in it.

The trust does not have its own internal audit function so appoints another organisation to provide this service. KPMG had been the provider of this service up until 31 March 2014 and until July 2014 was still engaged to complete the 2013-14 programme of work that had been agreed. 2014-15 was the first year of the Deloitte LLP contract to provide this service.

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 quality and risk committee and the audit committee as well as being circulated to the executive team. At the start of the year and 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 focussed 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, budgetary 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 the A&E indicator and perioperative services review. These reports are considered by the quality and risk committee before they are presented to audit committee. The business operations reviews covered specific areas identified as risks by management such as workforce data, winter planning, CIP, procurement, ICT strategy assessments and stakeholder perceptions. 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. The Ccommittee tracks progress against these action plans and also reviews the implementation of previously agreed actions.

The Trust's external auditors are PricewaterhousCoopers (PwC) and 2014/15 is the third of a three year contract. PwC presented its audit 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 reply on work performed already as part of the internal controls work. 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. There has been no non-audit work proposed by external audit in the 2014/15 year. However, additional fees have been agreed due to the extra risk based work PwC will have to perform to assess the effect the Monitor Enforcement undertakings will have on the economy, effectiveness and efficiency part of their opinion. In the autumn of 2014 the Audit Committee agreed to utilise the extension term agreed at the start of the contract to extend the services of PwC as external auditor for one more year into 2015/16. This was agreed with the Council of Governors Audit Appointments Committee and was ratified by the Council of Governors.

The Committee regularly reviewed the activities of the counter fraud team. In April 2014 the Trust submitted a return under the 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.

The Committee consists solely of independent non-executive directors and at least one member has recent and relevant financial experience. Alison Lord has been the Chair of the Committee throughout the year. The attendance of committee members is shown in the table on page 160

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
- Identify and nominate suitable candidates to fill Executive Director vacancies.

The Nominations Committee is chaired by the Chair, Les Lawrence, and has met once during the year ended 31 March 2015.

In the case of Non-executive Director vacancies, including the Chair, 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 Chair, 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 the latter part of 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, Lord Hunt. The process included preparing a job description and candidate specification, advertising in the national and local press, interviewing and shortlisting 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 Chair, Les Lawrence, for the appointment of two Non-executive Directors during 2014/15.

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 that comprises the chair, all of the non-executive directors and the chief executive. 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 172 to 177.

Political donations

The Trust made no political donations during the year ended 31 March 2015.

Future developments and research and development

Information on likely future developments and research & development are described in the strategic report which can be found on pages 18 to 63

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 pages 18 to 63

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 28 to the Financial Statements.

Enhanced reporting on quality governance

The strategic report, which can be found on pages 18 to 63, the quality account & report, which can be found on pages 64 to 153, and the Annual Governance Statement, which can be found on pages 178 to page 189, 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.

Sickness absence data

Information regarding sickness absence data can be found in note 5.4 to the financial statements.

Cost allocation and charging guidance

Information regarding the trust's compliance with cost allocation and charging guidance issued by HM Treasury can be found in the strategic report on page 47.

Code of Governance

Heart of England NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance ("the Code") on a comply or explain basis. The Code, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012.

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:

- Ms Lord was appointed for a term of three years and two months from 1 May 2013. Non-executive directors appointed since 1 July 2013 have all been appointed on three year terms; and
- There were times during the year when less than half of the board, excluding the chairperson, comprised non-executive directors. This occurred due to timing differences in recruiting replacement non-executive directors but it continues to be the policy of the board to comply with this requirement, as it was by the end of the year and at the date of this report.

The role of the board is described on page 159. An outline of the role and responsibilities of the Council of Governors can be found on page 166.

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 159.

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 166 to 168.

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 chair and the non-executive directors. In addition, part of the programmes of work arising from the Kennedy Review (see page 43) and the Governance Review undertaken by Deloitte LLP (see page49) have focused on board and committee performance; this work is ongoing. Deloitte LLP also provide internal audit services to the trust.

The chair was appraised by the senior independent director and the lead governor during the year. The outcome was reported to the Council of Governors at its meeting in April 2015.

The five non-executive directors who were in post throughout 2014-15; Dr Cadigan, Mr Lock, Ms Lord, Dr Rao and Prof Serrant, were subjected to an appraisal conducted by the chair, the outcome of which was reported to the Council of Governors in April 2015. Prof Peck stepped down during the year and wasn't subjected to an appraisal. Mr Edwards and Ms Kneller 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 2015/16 will be subjected to an appraisal.

All executive directors are appraised annually by the chief executive (and the chief executive by the chair), as part of the trust's evaluation process and appraisal policy.

The directors fully explain their responsibility for preparing the Annual Report and Accounts on page 199.

Information concerning the effectiveness of the trust's system of internal controls can be found in the annual governance statement on pages 178 to 189.

The trust outsourced its Internal audit function 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. Clinical governance matters are reviewed on behalf of the board by the quality & Risk committee.

By 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 chair 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 169 to 171. This includes contact information, eligibility, membership numbers and a summary of the membership strategy.

The other significant commitments of the chairs were:

Lord Philip Hunt
- 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 processes in global bar coding standards for supply chains
- Patron of Speight of the Art – the Mark Speight Foundation

Les Lawrence
- Trustee for the National Institute for Conductive Education
- Governor of City of Birmingham School
- Director of Lindridge Enterprises Limited
- Director (unremunerated) of Bordesley Birmingham Trust Limited
- Chairman of the Birmingham Special Educational Needs & Disability Information, Advice and Support Service

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

Council of Governors

Following changes to the constitution that became effective in 2013, 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;
- Five staff governors, by ballot of staff; and
- Seven stakeholder governors, by appointment.

The Council of Governors is responsible, amongst other things, for:
- Representing the interests of members as a whole and the public;
- The appointment and, if appropriate, removal of the chair, non-executive directors and the external auditor;
- Determining the remuneration of the Chair and the Non-executive Directors; and
- Holding the non-executive directors individually and collectively to account for the performance of the board.

The Council of Governors met seven times in the year ended 31 March 2015; the table below shows attendance levels:

Meeting date	Number of Governors in attendance	Number of eligible Governors	Number of Directors in attendance
27 May 2014	18	31	9
23 July 2014	20	31	6
15 September 2014	21	31	7
24 November 2014	24	31	8
5 January 2015	20	31	9
3 February 2015	22	30	8
4 March 2015	18	30	8

During the year no governors were removed from office for persistent failure to attend meetings. The governors of the trust at 31 March 2015 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	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	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 Jean Thomas	Elected (Contested)	01/09/2014
Public	South Staffordshire	Mr Barry Orriss	Elected (Contested)	12/08/2013
Public	South Staffordshire	Mr Phillip Johnson	Elected (Contested)	12/08/2013
Public	Sutton Coldfield	Mrs Elaine Coulthard	Elected (Contested)	12/08/2013
Public	Sutton Coldfield	Mr Ron Handsaker	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 (Uncontested)	12/08/2013
Staff	Clinical Support	Mr Michael Hutchby	Elected (Uncontested)	12/08/2013
Staff	Medical & Dental	Mr Matthew Trotter	Elected (Uncontested)	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
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	Carol Doyle	Appointed	01/12/2012
Stakeholder	Solihull Metropolitan Borough Council	Cllr Jim Ryan	Appointed	24/05/2011
Stakeholder	University of Birmingham	Dr Catherine Needham	Appointed	06/02/2014
Stakeholder	University of Warwick	Dr Nicola Burgess	Appointed	09/05/2014

Mrs Joy Townsend (Solihull) resigned as a public governor on 31 August 2014 and was automatically replaced by Mrs Jean Thomas (Solihull) on 1 September 2014 in accordance with the Constitution. Mr Barry Clewer MBE (Perry Barr) resigned as a public governor on 31 January 2015 but was not automatically replaced as his seat was uncontested in the 2013 election. As a result of lack of nominations at the 2013 election and Mr Clewer's resignation, Perry Barr constituency has two vacancies and Tamworth constituency has one vacancy. Mr David O'Leary (Yardley) passed away on 14 May 2015; it is anticipated that he will be replaced automatically in accordance with the constitution.

University of Warwick appointed a new stakeholder governor during the year. Lichfield District Council and Tamworth Borough council haven't nominated their joint stakeholder governor.

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 that includes the arrangements for resolving conflicts is also available on the trust's website. Both documents are also available on request from the company secretary.

Mr Richard Hughes was lead governor and Mr Albert Fletcher was deputy lead governor throughout the year ended 31 March 2015.

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 with the governors via the normal channels. Additionally, together with the chair, the lead governor facilitates communications between the governors and the board and also contributes to the appraisal of the chair.

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 chair and the company secretary and at Council of Governors meetings that are routinely attended by the directors.

During the year the trust formed a Citizens Assembly as an additional method of communicating with the public and patients. The governors are reserved two places on the Citizens Assembly which enable them to take into account additional views from the public and patients.

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 Kath Bell;
- Hospital environment – chaired by Elaine Coulthard;
- Membership and community engagement – chaired by Albert Fletcher;
- Patient and staff experience – chaired by Michael Kelly; and
- Quality and risk – chaired by Liz Steventon.

These committees meet regularly with the respective executive director and other relevant senior managers in attendance. The patient and staff experience committee routinely invites members of consultative forums to attend its meetings to share views.

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 attended by the company secretary and often by directors or senior managers to present on subjects of interest to the governors.

The chairman, the company secretary, the lead governor, the deputy lead governor and the committee chairs meet periodically to review the performance of the council and its committees.

The governors can be contacted by e-mail at: governors@heartofengland.nhs.uk

Membership strategy

The trust has more than 103,000 members from various constituencies and aims to broadly maintain this level of membership. Following a change to the constitution in 2013 the trust has two constituencies:

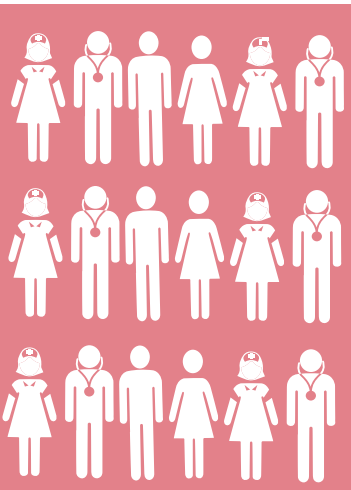
1. Public constituency – comprising members who live in one of the trust's ten Governor areas. Residents of these areas become eligible for public membership when they reach the age of 16.

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.

A full listing of all the constituencies is available as Annex one to the constitution, which is published on the trust website and 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.

The last 12 months has seen membership across the public constituency and staff constituency broadly maintained. Any losses were as a result of members dying or moving out of the catchment area.

Breakdown of total members:



Public members: 92,694

Staff members: 10,364

Total membership: 103,058

Public membership is broken down as follows:

Age (years)	No.	Ethnicity	No.	Gender	No.
0-16:	130	White:	58,872	Male:	39,646
17-21:	1,381	Mixed:	538	Female:	49,717
22+:	90,521	Asian/British Asian:	11,011	Not known:	3,331
Not known:	662	Black/British Black:	2,415		
		Other:	19,221		
		Not known:	637		

Staff membership is broken down as follows:

Heartlands	Good Hope	Solihull	Solihull Community
Clinical Staff: 4,409	Clinical Staff: 1,699	Clinical Staff: 771	Clinical Staff: 521
Non-Clinical: 1,821	Non Clinical: 676	Non Clinical: 332	Non Clinical Staff: 135

Governor Elections and turnout

There were no elections held in the year ended 31 March 2015. The next governor elections are due to be held in 2016.

Levels of membership

The trust offers three levels of membership:

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

This categorisation has enabled members to select the level of involvement they require to meet their needs. The trust aims to broadly maintain its membership

Membership profile summary

The trust has updated the ACORN profiling and socio-economic grouping of its membership database to ensure the demographics are as representative of the local community as possible.

The Heart of England region remains an area of lower affluence relative to the UK.

Looking at the trust's membership

- Affluent Achievers are over-represented while Comfortable Communities, Financially Stretched and Urban Adversity are representative of the demographics of the Heart of England Region.
- The most common ACORN groups amongst members are Modest Means, Striving families, Steady Neighbourhoods and Executive Wealth. This matches the Heart of England community.

Considering new members recruited since April 2014,

- Recruitment in this period has been large enough to offset some of the losses to the membership with 3,056 additional members. The recruitment has been spread across the demographics and has maintained the representation of the membership.

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.

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.
Promoting health awareness at these events is a key function in getting important health messages across to the public, particularly to those harder to reach socio-economic groups. This programme has put the trust right into the heart of its community. Working with the patient groups and their networks has played an important part in community engagement this year and will continue into 2015/16.

The community engagement programme this year included:

- Monthly health seminars both on site and out in the community
- "HealthySelf" roadshows in partnership with housing associations
- Women's and men's health issues, out in the community
- Carnivals, health fairs and local community festivals
- Collaboration with the Midlands Co-operative Society and joint membership events
- Hindu, Sikh and Muslim communities - a shared health awareness programme
- Partnership with the Health Exchange to promote health and wellbeing across our catchment area

Young governors and members

The trust's partnership with Solihull Youth Services has continued to flourish.

During the year our HEFT youth forum worked on a variety of health projects culminating in the second "HealthySelf" youth conference in November 2014. The young members of the forum took over the whole conference, compering and managing the event. A young governor was elected at the conference to represent young people's views and report back to the chair. Activities included awareness sessions on teenage abuse, drugs and alcohol, mental health, body image, bereavement and young carers, followed by round table debates on issues raised. The trust registered the event as part of the Children's Commissioners "Youth Takeover Day" and received national recognition for the work done with young people. Feedback received by the schools and colleges involved was excellent with requests for another conference in 2015. The annual youth conference forms part of the trust's on-going youth engagement plan.

Continuing to forge and develop links with local schools, interested as part of this agenda, has been a real success this year; the trust will continue to build on this in 2015-16. Work experience, placements and mentoring will play an integral part in our youth programme.

Remuneration report

Annual statement on remuneration from the chair of the Remuneration committee of the board

No major decisions on senior managers' remuneration were made during the rear ended 31 March 2015; therefore there were no substantial changes relating to senior managers' remuneration during the year.

Les Lawrence
Chair of the Remuneration Committee of the Board

Senior managers' remuneration policy

For the purposes of this report, the chief executive has determined that 'senior managers' comprise the voting directors of the trust.

Voting executive directors

Components of senior managers'	Commentary
Basic salary	The committee determines senior managers' basic salaries with the aim of attracting, motivating and retaining high calibre employees who will deliver success for the trust and high levels of patient care and customer service. Basic salaries are not performance related, except to the extent that increases are dependent on satisfactory annual appraisals. They support the strategic objectives of the trust by encouraging long term stability of employees. They do this by keeping pace with general increases in NHS salaries. There are no provisions for recovery or withholding of basic salaries for senior managers or directors
Pension contributions	These relate to pension benefits accrued under the NHS pension scheme. Contributions are made by both the employer and employees in accordance with the rules of the scheme which apply to all NHS staff in the scheme. Further details are disclosed in Notes 4.4 and 5.8 to the financial Statements. Pension contributions are not performance related and therefore only support the strategic objectives of the trust to the extent that they encourage long term stability of senior managers. There are no provisions for recovery or withholding of pension contributions for senior managers or directors.

The committee has adopted a policy of providing six months' notice in senior managers' service contracts. The principle applied to determination of payments for loss of office is to honour contractual entitlements only, which typically include pay in lieu of notice and pro rata pay for accrued but not taken holiday entitlement, if applicable. Given the contractual nature of these elements, the circumstances of the loss of office are generally unlikely to be relevant to the exercise of any discretion.

In considering remuneration policy for senior managers, the committee is cognisant of director pay levels in the NHS generally and in pay levels of other NHS staff, including its own employees. Given that no major decisions on senior managers' remuneration were made during the rear ended 31 March 2015, the trust didn't consult with employees, nor were comparisons used, when considering remuneration policy during the year.

Non-executive directors

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 the lead governor, Mr Richard Hughes.

Components of Non-executive directors' fees	Commentary
Basic fee	The trust pays a standard basic fee of £14,123 p.a. to all of its non-executive directors ("NEDs"). Basic fees are not performance related. They support the strategic objectives of the trust by encouraging long term stability of the NEDs. They do this by keeping pace with NEDs' fees in the NHS. There are no provisions for recovery or withholding of basic fees for NEDs.
Additional fee	The trust pays some NEDs a standard additional fee of £3,000 p.a. reflecting additional responsibilities over and above standard NEDs' duties. Additional fees are not performance related. They support the strategic objectives of the Trust by encouraging long term stability of the NEDs. They do this by keeping pace with NEDs fees in the NHS. There are no provisions for recovery or withholding of additional fees for NEDs.

Annual report on remuneration

The board's remuneration committee, which is chaired by the chair, Les Lawrence, and comprises the non-executive directors, determines the remuneration, allowances and 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 page 160.

Remuneration packages for executive directors, who are voting members of the board, consist of basic salary and pension contributions. Salaries are reviewed 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 Organisational Development and the Company Secretary. No director or employee is involved in the determination of, or votes on, any matter relating to their own remuneration. Performance is judged and reviewed as part of the annual appraisal and personal development review process in line with Trust policies. The appraisal of all executive directors is carried out by the chief executive. Details of remuneration, including the salaries and pension entitlements of the executive directors, are published in Note 4.4 to the financial statements.

All of the employed executive directors have a rolling six month termination notice period included in their contracts. Except for Andrew Foster and Darren Cattell, there are no amounts payable to third parties for the services of the executive directors and they received no benefits in kind (2013-14 £nil).

The trust contracted with Warrington, Wigan and Leigh NHS Foundation Trust for the services of Andrew Foster as Interim Chief Executive four days a week for six months commencing 16 February 2015.

The trust contracted with Mill Street Consultancy Limited for the services of Darren Cattell as interim director of Finance and Performance for nine months commencing 19 January 2015.

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 Notes 1.13●and 58 ● 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	01.09.2014	6 months
Adrian Stokes	16.10.2008	6 months
Jonathan Brotherton	02.07.2014	6 months
Hazel Gunter	01.03.2013	6 months

During the year ended 31 March 2015 the following senior managers received payments on loss of office as follows:

Senior Manager	M Newbold	L Thomson	S Woolley
Contractual pay in lieu of 6 months' notice (bands of £5,000) (£000)	95-100	60-65	85-90
Redundancy pay (bands of £5,000) (£000)	-	125-130*	-
Pro-rated pay in lieu of accrued holiday (bands of £5,000) (£000)	-	5-10**	10-15***
Total amount payable (bands of £5,000) (£000)	95-100	195-200	100-105

* Based on 12 complete years' service.
** Relating to 9.5 days
*** Relating to 25.25 days

Non-executive directors, including the chair, do not hold service contracts and are appointed for between three years and three years two months. 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.

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 2015
Patrick Cadigan	1 July 2013	1 month	1 year 3 months
Andy Edwards	1 October 2014	1 month	2 years 6 months
Karen Kneller	1 October 2014	1 month	2 years 6 months
Les Lawrence	1 April 2012	1 month	2 years
David Lock	1 July 2013	1 month	1 year 3 months
Alison Lord	1 May 2013	1 month	1 year 1 month
Jammi Rao	1 July 2013	1 month	1 year 3 months
Laura Serrant *	1 April 2012	1 month	none

* Laura Serrant was re-appointed with effect from 1 April 2015 for three years, subject to one month's notice.

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 chair from 1 June 2014) for a term of three years. He previously served as a Non-executive Director from 1 April 2012. As intended, he became chair from 1 June 2014.

Prof Peck resigned as a non-executive director on 31 July 2014.

Details of the remuneration of the non-executive directors are published in Note 4.4 to the financial statements. 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 (2013-14 £nil).

The non-executive directors were not awarded a general increase in remuneration 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 and are published in Note 4.4 to the financial statements.

Off payroll arrangements

Whilst the majority of the trust's directors and employees are paid via the payroll there are occasionally situations where these arrangements are not suitable and the trust pays for these services via an invoice. Following the guidance issued by Monitor in August 2013 relating to off payroll arrangements, all new suppliers that are anticipated to be paid more than £220 per day for more than six months are reviewed to ensure they have the appropriate arrangements in place and that the company is registered with HMRC for corporation tax purposes.

As per the table below, there are 48 companies where these arrangements existed at 31 March 2015.

Duration of existence of arrangement	Number
Less than 1 year	38
1-2 years	4
2-3 years	0
3-4 years	5
Over 4 years	1
Total	**48**

There are two main staff groups where these arrangements have been used. Firstly, the trust employs a number of individuals on an ad hoc basis to deliver training when Solihull Approach training courses have been booked. These arrangements have existed for several years and nine of these suppliers have been used for more than six months and have been paid more than £220 per day when the courses are delivered.

Secondly, at the end of 2013-14 year the trust implemented a new system for sourcing of locum and agency doctors using a third party IT system and agency suppliers to find a suitable resource to fill the placement.

As shown in the table below, in 2014-15 there have been 38 off payroll arrangements which are new or have reached six months duration in the year.

	Number
New engagements, or those that reached six months in duration between 01 Apr 2014 and 31 Mar 2015	38
Number of the above which include contractual clauses giving the trust the right to request assurance in relation to income tax and national insurance obligations	8
Number for whom assurance has been requested	8
Of which:	
Number for whom assurance has been received	8
Number for whom assurance has not been received	0
Number that have been terminated as a result of assurance not being received	0

Of this total, 30 non-agency limited companies have been paid for the services of locums where they have been used for longer than a six month period and they have been paid more than £220 per day. The trust has sought reassurances from the third party that these companies are registered with HMRC for corporation tax purposes.

In addition there are eight other supplies where their services have been procured to be paid via off payroll arrangements. There have been a number of interim specialist appointments that have been made in the last quarter of the year to address the issues raised by the regulators and the skills and experience required are not available through the normal payroll routes.

Off payroll engagements of board members, and/or senior officials with significant financial responsibility, between 01 Apr 2014 and 31 Mar 2015	Number
Board members	2
Number of individuals that have been deemed "board members and/or senior officials with significant financial responsibility". This figure should include both off-payroll and on-payroll engagements.	23

Included in the table above is the appointment to the post of interim director of finance and performance and the post of interim chief executive. It was identified by the board that additional skills and experience were required to help with the performance and governance issues that had been identified by Monitor. A recruitment process involving two non-executive directors was undertaken and the individual who was selected for the role provides his services via a consultancy company. This arrangement was anticipated to last nine months. The trust contracted with Warrington Wigan and Leigh NHS Foundation Trust for the services of Andrew Foster as Interim Chief Executive for six months from February 2015. At 31 March 2015, there are 23 board members or senior officials with significant financial responsibility.
Of the 17 off payroll arrangements at 1 April 2014 there were two suppliers that were still going through the scrutiny process. One of the suppliers has since stopped providing services to the Trust. The second supplier was part of a procurement tender process for that service completed in the year and new arrangements have been put in place to deliver that service which through a new company set up which means the arrangement is no longer deemed to be off payroll.

Mr Andrew Foster
Chief executive
27 May 2015

Annual governance statement 2014-15

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 31st March 2015 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 policy and procedure that provides explicit guidance for all staff concerning:

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

The risk management policy 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 for handling risk.

The risk management policy 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 nursing (since february 2015 – prior to this it was with the company secretary) 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 is reported to the audit committee. It should be noted that in year some of these internal audits have concluded an opinion of limited assurance:

- Workforce data
- BAF and risk management
- CIP
- A&E
- IG toolkit

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

The risk and control framework:

In summer 2014, the trust commissioned a governance review which was completed by the internal auditors (Deloitte LLP). This review identified a number of concerns regarding the trust's governance and assurance arrangements. A quality improvement plan has been developed to address the concerns identified. This is being managed by a dedicated programme manager and the products and outcomes will be implemented during 2015/16.

The trust has a risk management strategy which 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 lifecycle and how risks are identified through risk assessments, are recorded through risk registers and how they are controlled and managed –through 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. trust has a trust-wide electronic system for recording risks (Datix) – 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 division quality and safety committee structure and ultimately to the board quality and risk committee.. Non-clinical risks (excluding financial 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 Care Quality Commission (CQC). Each regulation has an executive lead and operational lead. The prompts for each regulation are reviewed quarterly by the executive lead and a report is presented to the executive management board and quality and risk committee by the head of corporate risk and compliance. These quarterly self assessments include consideration of the contents of the CQC Intelligent Monitoring Report. A recent internal audit on this process concluded moderate assurance.

The trust has arrangements in place for recording and managing risks associated with data security. There is an information governance risk register. Information governance issues and risks are managed by the information governance committee which is a sub-committee of the quality & risk committee.

A recent internal audit review of the BAF and risk management systems gave limited assurance as the BAF was not aligned to the corporate strategy and there was a lack of ownership of the BAF at trust board level. Action plans were inadequate for some significant risks and there was a lack of pace in the management and escalation of operational risks. Plans have been developed to address the issues raised by the internal audit during 2015/16. This will include an annual board workshop to review strategic risks in line with examples of best practice from other organisations. A dedicated project manager has been appointed to review the existing risk management systems and processes.

In the absence of an agreed strategy, the board has identified the current 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 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 one below.

The strategic risk register for 2015-16 will be presented:

- Quarterly to the executive management board and the board
- 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 six assurance committees: 1. Quality & risk committee; 2. Finance & performance committee; 3. Audit committee; 4. Workforce development & welfare committee 5. Information management & technology committee and six. Research committee. These committees 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. Beneath these committees sit sub-committees which are responsible for providing assurance on specific aspects of the trust's agenda e.G. HR committee, information governance committee, clinical standards committee, 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.

In addition there is an executive management board (EMB) where operational issues can be escalated to the executive directors and the chief executive. At the beginning of the year, a new structure, that included a triumvirate delivery unit, was established. Ownership (operations, nursing and medical) was also established for each of the sites and divisions.

Information is regularly submitted to these boards and committees covering a range of operational issues for example, trust risk 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 with the aim that 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 in sufficient detail 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 completed a baseline assessment which has been presented to the audit committee and board. Regular compliance reviews will be completed and reported to the board.

This annual governance statement provides an outline of the 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 quality 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 trust has entered section 106 undertakings with Monitor, as a result of governance weaknesses, and has developed a Recovery plan to address the issues identified. The trust is in regular contact with Monitor regarding the response to the undertakings and is providing regular updates on progress with this.

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 reported through the divisional structure and for assurance, monthly 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 reviewed at the quality & 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:

- Citizens Assembly
- 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
- Commissioners

The trust was subject to one unannounced inspection during 2014-15. This review took place in in December 2014. The outcome of this review (included in the draft report) was summarised as follows:

Safe – Requires Improvement
Responsive – Requirement Improvement
Well-led – Requires Improvement

The Effective and Caring domains were not assessed during this inspection
The CQC key findings are outlined as follows:

- Widespread learning from incidents needs to be improved
- Appraisal rates need to be improved
- Staff sickness and attrition rates were impacting negatively on existing staff
- Poor patient flow mainly at BHH and GHH was having negative impacts across the core areas that were inspected
- Referral to Treatment times were not always met
- Discharge arrangements required improvement
- The care of deteriorating patients was generally managed well
- Arrangements for patients with reduced cognitive function was not always managed well
- The culture within the trust was one of uncertainty due to the number of changes which had occurred
- Staff could not communicate the trust vision or strategy
- Governance arrangements needed to be strengthened to ensure more effective delivery
- IT reporting needed to be improved

At the time of writing this statement, the CQC draft report is still undergoing factual accuracy checks with the trust and CQC. An action plan to address issues identified in the report will be developed and included in the trust Recovery plan, it will be monitored by the executive team and the trust quality & Risk Committee. Actions are already in being delivered as part of the Integrated Improvement Plan to address many of the issues raised including: developing and communicating the trust strategic vision; governance arrangements; urgent care; culture and leadership and IM&T.

The Foundation Trust is not fully compliant with the registration requirements of the Care Quality Commission. The details of the compliance actions are outlined as follows:

Regulation 10	There was a lack of robust incident reporting feedback which could result in learning opportunities being lost; management of patient handover and timely assessments in ED; service delivery and improvement in outpatients with the use of management reporting data
Regulation 12	Within ED cleaning practices needed to improve. Within the trust, staff were not adhering to trust policy
Regulation 13	Where emergency medications were required within maternity they were not readily available, staff were unaware of its whereabouts and they had not been checked regularly to ensure that they were still in date and safe to use
Regulation 16	Lack of equipment and faulty equipment not being replaced in a timely fashion
Regulation 23	The appraisal rate for staff within the trust was 38%. This rate had the potential to impact on the level of care patients received. Managers also lost the opportunity to support staff and identify areas where additional support was required. In addition the visibility of the head of midwifery continues to be an issue as identified during the previous inspection in November 2013.
Regulation 11	Safeguarding processes were not in place for people wearing mittens in the trust
Regulation 22	Nursing staffing was insufficient in places having a direct impact on patients. For instance not being able to staff the second obstetrics theatre in maternity

The Care Quality Commission has not taken enforcement action against Heart of England NHS Foundation Trust during 2014-15.

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 timescales detailed in the regulations.

Control measures are in place to ensure that all the organisations 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 and effectiveness of the use of resources:

The board agreed the five year plan sent to Monitor in June 2014, which set the financial and performance expectations for the 2014-15 year and the four years after that. These plans included some ambitious strategic projects.

The Finance and performance committee (F&PC) meets monthly to review how the trust has 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 and, in particular, the integrated performance report, which was established at the beginning of the financial year and has been refined throughout the year to provide the relevant information to assist in decision making. The HR director also attends the committee so any issues relating to the recruitment and use of staff are also discussed here. The acting finance director/interim finance director also routinely provide 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 these have not identified areas where resources have been directed inappropriately.

The trust provides quarterly reports to Monitor regarding its financial and governance targets which it is required to do as a Foundation Trust. There is a monthly performance review meeting (PRM) where directors of the trust discuss performance with Monitor, focusing mostly on the performance targets that have not been met as part of the Monitor enforcement undertaking. These targets include A&E, 18 weeks and cancers, as described in more detail in the Annual Report. An improvement plan has been produced by the trust for review by Monitor. Part of this plan has been securing additional resources, including, for example, the use of the private sector, to enable the trust to treat unplanned growing demand for services. This additional resource was forecast to move the Trust into deficit. This was reported to the board and to Monitor at the end of quarter two, when it became clear that the expected strategic initiatives to reduce in hospital capacity were unrealistic because of the on-going growth in demand.

The external auditors have considered the trust's arrangements for securing economy, efficiency and effectiveness in its use of resources. They have modified their conclusion on these arrangements because of the level of Monitor intervention and the trust not hitting a number of performance targets throughout the year.

Information governance:

Heart of England NHS Foundation Trust Information Governance Assessment Report overall score for 2014/15 was 68% and was graded green.
The following table includes details of information governance level 2 incidents

SUMMARY OF SERIOUS INCIDENT REQUIRING INVESTIGATIONS INVOLVING PERSONAL DATA AS REPORTED TO THE INFORMATION COMMISSIONER'S OFFICE IN 2014-15				
Date of incident (month)	**Nature of incident**	**Nature of data involved**	**Number of data subjects potentially affected**	**Notification steps**
April 2014	Unauthorised Access/Disclosure	Electronic patient records	<11	Individuals notified the Trust
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. All staff in the department where this incident occurred received additional data protection training.			
August 2014	Disclosed in Error	Surname, age, postcode, test results and treatment.	10,000	Individuals were not made aware of the incident. Information was sent to another NHS organisation who reported the incident. Patient identifiable information was deleted.
Further action on information risk	An investigation is still on-going. The department involved is drafting written procedures for the release of information			
September 2014	Unauthorised Access/Disclosure	Medical records	10-20	individuals notified by post
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 the incident was dismissed from the Trust.			
October 2014	Disclosed in Error	Lab reports	50-60	The Reports were returned to the Trust and sent to correct department but a record was not kept of affected individuals.

Further action on information risk	Staff training is being reviewed by the labs			
November 2014	Unauthorised Access/Disclosure	Medical records	10-20	Individuals notified by post
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 the incident was dismissed from the Trust.			
November 2014	Disclosed in Error	Demographic details, diagnosis date, diagnosis code	5	Individuals notified by phone and post
Further action on information risk	The processes for identifying patients for surveys and releasing information to external organisations are being reviewed by the Trust.			
November 2012	Unauthorised Access/Disclosure	Medical record	1	Patient was already aware
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 the incident received a written warning.			
December 2014	Unauthorised Access/Disclosure	Medical record	1	Patient could not be notified
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 incident is still being investigated.			

Incidents classified at lower severity level (Level 1)
Table 2

SUMMARY OF OTHER PERSONAL DATA RELATED INCIDENTS IN 2014-15		
Category	Breach Type	Total
A	Corruption or inability to recover electronic data	
B	Disclosed in Error	10
C	Lost in Transit	2
D	Lost or stolen hardware	
E	Lost or stolen paperwork	9
F	Non-secure Disposal – hardware	
G	Non-secure Disposal – paperwork	4
H	Uploaded to website in error	
I	Technical security failing (including hacking)	1
J	Unauthorised access/disclosure	3
K	Other	9

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 Nursing. 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 and 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 agreed by 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 is provides a balanced view of the organisations 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 and reporting 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.

The trust reports monthly to Monitor on the Incomplete 18 Weeks indicator, based on the waiting time of each patient who has been referred to a consultant but whose treatment is yet to start.

The trust has been unable to report against this target since the implementation of a new Patient Administration System (PMS2) in July 2014 and is unable to access records from the previous Patient Administration System (HISS) for performance for April to July 2014. As a result, the trusts external

auditors were unable to access data to verify the waiting period from referral to treatment. As the data required to support the indicator is not available, as described in the Basis for Disclaimer of Conclusion paragraph, it was not possible for the auditors to form a conclusion on the Incomplete Pathways indicator.

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;
- Monitor monthly performance review meetings
- 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;
- Peer reviews.

Each level of management, including the board, review 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 2014-15, as a result of this the trust has been placed under Monitor's enforcement undertakings. An urgent care improvement plan and urgent care improvement lead has been put in place to address the wider issues relating to the urgent care pathway

18 weeks – The trust did not achieve the 90% admitted standard in Q1 2014/15. Due to migration to a new patient management system, the trust was unable to report against all three standards from July 2014 to October 2014. On return to the reporting of admitted and non admitted standards in November 2014, the trust failed the admitted target and it is expected that this will not be achieved until March 2016 predominantly due to an increase in the backlog of patients in gastroenterology. Specialty specific trajectories that demonstrate a return to compliance have been developed which reflect the provision of additional capacity both on site and from within the private sector have been developed and are monitored on a weekly basis. The non admitted standard was achieved in Q1 however upon returning to reporting and predominantly due to closure of legacy open clock pathways the target was not achieved. The majority of legacy open clock pathways were closed following administrative and clinical validation by the end of Q4.

Speciality specific trajectories to reduce waiting times to first outpatient appointment have been developed which will give greater certainty regarding achievement of the standard in future, along with an increased visibility of patients on 18 week pathways following migration to a new patient management system. The 92% incomplete standard was achieved in Q1 2014-15 but due to system migration and legacy open clock issue, the trust was unable to return to reporting of the target and the target was not achieved.

Cancer targets - The Trust did not achieve cancer and breast symptomatic two week wait targets in any quarter during 2014-15. Whilst performance has improved over quarters three and four, an18% increase in referrals in year has created significant challenge to ensure capacity consistently meets demand. Whilst referrals have increased across all cancer sites, growth in urology, breast, gynaecology and upper & lower GI have been particularly high. Furthermore patient awareness of reason for referral is known to be limited with 39% of patients not being made aware at referral from GP that they are on the cancer pathway, therefore increasing the likelihood of breaches due to 'patient choice'. Scrutiny and support between the trust and the CCG will continue in 2015-16 with trajectories to reduce the median wait to two week wait appointment being monitored on a weekly basis. Whilst two week wait referrals have increased, the conversion rate has dropped with as little as four percent of referrals going on to 31 and 62 day pathways in some specialties. The 31 day standards were consistently achieved in all quarters and the 85% 62 day cancer standard was achieved in all quarters with the exception of Quarter 1 2014-15. The 90% 62 day screening standard was achieved in Quarters one, two and three but was not achieved in quarter 4 due in part to a reduction in patients screened and therefore on a pathway. The impact of NICE guidance, due to be published in quarter 1 2015-16 represents a further risk to the Trusts ability to achieve the two week standard due to an expected further increase in referrals

The trust has plans in place to address performance against these targets and other internal control issues identified as part of the governance review and the Monitor undertaking – further information is included on page 27 & 28 of the Annual Report.

Monitor undertaking

The trust signed the first Section 106 undertaking in December 2013 and at the beginning of the 2014-15 year was implementing the agreed plans to deliver against the A&E four hour target and was rated red in relation to governance. At this point the trust anticipated that it would meet all other targets.

At the end quarter one of 2014 the trust remained red rated because it had not achieved the A&E target for more than three successive quarters, as well as not achieving the Referral to Treatment (RTT) (admitted) target, two-week wait (all cancers) target, the two-week wait (breast) target and the 62 day wait target. For the remainder of the year the trust also failed to achieve these targets with the exception of the 62 day standard which has been achieved since Quarter 2 2014-15. These persistent target breaches are viewed by Monitor as a failure of governance arrangements.

As a result in October 2014 the December 2013 section 106 undertaking was updated to reflect the latest plans to improve performance against the A&E four hour target. A new section 106 undertaking was agreed that recorded, amongst other things, the actions intended to address the RTT, and all cancer wait time targets. Earlier in the year the trust had commissioned Deloitte LLP to carry out a governance review and as part of the new undertaking it was agreed that the trust would share with Monitor the findings of this review and the resulting actions plans.

The trust also agreed to share the findings of the Silverman Mortality Review and any resulting actions plans. The trust also committed to continue to implement the recommended actions arising from the Kennedy Review. The trust also committed to continue to implement the plans to address the issues raised by the CQC's inspection in November 2013.

The Trust's license was varied pursuant to section 111, this required that the trust ensured it has in place stronger leadership capacity and capability and governance systems and processes to enable it to comply with the conditions of its license.

The trust has on going monthly reviews with Monitor where additional information on performance

actions plans and trajectories are discussed. The trust is currently working on an Integrated Improvement Programme (IIP) which will bring together a number of work streams to deliver improved performance against these standards.

Conclusion:

With the exception of the internal control issues that have been outlined above, no further significant internal control issues have been identified.

Mr Andrew Foster
Chief Executive
27 May 2015

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?)
SR1 Future financial risk . The NHS is required to make c5% year on year savings. There is a risk that savings targets will be made without due regard for the impact on the Quality of the Services required. Whilst financial targets may be achieved. the Quality of services may unacceptably deteriorate.	16 (4x4)	• Clarity over which services are commissioned now and in the future from Stakeholders as part of Commissioning Intentions • Target the bulk of CIP plans into service improvement rather than cost savings. Split CIP plans into three components. Control (1.5% target), Efficiency (2% target) and Transformation (2% target). • All CIP plans (work streams) to be developed with the input of clinical leaders following local QIA processes • All CIP plans to be agreed by Divisional AMD following QIA processes • All CIP plans at Trust wide level to be signed off by the MD and CN following the QIA processes	• Jointly managed risk agreement. Monthly updates to Finance and Performance committee and Trust Board • Monthly updates to Finance and Performance committee, EMB and Trust Board. Monthly discussions at CIP board and Finance and Performance Committee • Monthly updates to Directorate and Divisional SIEP Boards • Monthly updates to Trust wide SIEP Board and to EMB • Monthly updates to Finance and Performance committee, EMB and Trust Board. Monthly discussions at CIP board and Finance and Performance Committee
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 an increase in risk to the urgent care pathway, including significant impact upon the capacity in A&E and the use of additional flex capacity. There is a risk to the corporate objective 'safe and caring'	16 (4x4)	• External capacity controls • Maximise senior medical presence • Match staff to demand patterns and to variation in demand • Earlier senior assessment • Earlier specialty assessment • Rapid access to diagnostics • Eliminate ambulance queuing • Ambulatory emergency care • Interventions in AMU with specific KPIs for delivery • Specialty ward interventions - SAFER, PDDs, review of patients with long LOS, elimination of outliers	• Tracked through discharge hub • Monthly updates to Trust Board • Regular updates to Monitor, commissioners and other stakeholders • Monitor undertaking plan • Trust wide implementation group chaired by emergency pathway transformation lead • Rapid improvement events (exec lead)

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 current configuration and delivery models of some services are not sustainable in the future.	12 – (3x4)	• Horizon Scanning: regular review of news and publications to ensure that changes in the wider NHS are incorporated into the Trust strategy • The Trust is developing a clinical strategy and suite of supporting strategies (e.g. I.T, Workforce and Business) to define the future direction of the Trust • Priority Programmes: Stroke (Complete) / Surgical Reconfiguration / • 7 Day service / Acute pathway redesign / ACP / Frail elderly / Specialised services / Women's and Children's	• Library services are now producing a monthly scan which is also available on the intranet. Key papers will be discussed at CSSB • Annual planning cycle framework presented to Board (January 15) and being monitored through Governance programme board • Implementation of PMO approach • Monthly updates to CSSB prior to EMB and Board and regular update to other stakeholders • Programme Board updates to EMB and Board, via CSSB • Clinical Services Strategy Board (monthly)

SR13 Staff Morale The Trust is currently in the lowest 20% for the key indicators relating to staff engagement. Evidence (West) shows that there is a direct correlation between staff engagement and patient outcomes. There is therefore a risk that the current low level of staff engagement will impact upon the quality of care and experience we provide for our patients	16 – (4x4)	• Three specific programmes of work have been established to address the risk: Leadership / Engagement / Values • Leadership: - Analysis of current position - Agree current and future need - Develop practical plan that supports long term development but prioritises immediate need with pace - Put in place systems to effectively monitor, review and take appropriate actions at individual and Trust level • Engagement: Implement key initiatives from 2014 diagnostics: Strong strategic narrative; engaging managers; employee voice; organisational integrity Embed structured engagement approach: strong governance model for engagement approach; implement local team approach • Values: Development of trust-wide specific values with strong staff involvement 'How we are' visible activities Embed values into key systems and processes	• Formal project plan reporting via PMO to IIP and Monitor • Bi-monthly reports to Workforce and Welfare development committee • Monthly update to Integrated Improvement Plan Board • Updates to staff engagement steering committee • Update to HR Committee

SR15 18 Week waits Risk of failure to achieve and sustain 18 week target (90% admitted, 95% non admitted and 92% open pathways) leading to action from regulators, patient safety concerns and poor reputation	12 – (3x4)	• Monitor RTT action plan • Revised governance structure implemented October 2014 • Long term resources currently being identified and submitted as business cases (30/01/15) • Analysis of demand and capacity undertaken across all specialities • Assessment of patient pathways and milestones such as 1st OPA being monitored • Implementation of PMS2 allows for visibility of waiting lists • Development of a single PTL between performance team and IST • Focussed attention to reduce and prevent patients waiting >38 weeks for their care to be completed • Review of patient access policy with input from CCG • Centralisation of waiting list functions • Review of consultant / AL / SL sabbatical policy and job plans • Implementation of a cancellation on day of surgery process with zero tolerance to cancelling cancers and other cat 1 patients • Continue to work with IST to complete the recommendations in the plan • Use of private sector and vanguard to increase capacity	• Monthly updates to Monitor and to F&P (via the DU report) • * Weekly cancer and 18 week meeting (HOOs, IST and CCG in attendance - IST monthly CCG twice monthly) to discuss specialty trajectories position and related issues and challenges discussed • * Weekly monitoring of specialty specific trajectories • * Monthly meetings and updates to review completion of IST action plan • * Monthly submission of position to SRG • * Weekly Performance on a page • * Speciality level data being developed to give 360 degree view of specialty and changes in terms of growth / conversion rates / backlog activity etc over last 24 months

SR16 Breast recall programme A review is currently being under taken of the recall programme of breast care patients under the care of Mr Ian Patterson. There is a risk that this review will identify patient safety, reputation and financial risk for the Trust	12 – (4x3)	• Review of individual cases included in the previous recall programme • Review of individual cases not included in the previous recall programme - to ensure that appropriate advice / treatment plans have been identified and communicated. • Implementation of robust governance arrangements to identify, escalate and manage the programme of work including an Executive Oversight Group and weekly project group • Communications plan developed to ensure that all relevant stakeholders are updated on progress with the programme of work • Project team in place • Patients support group established and on-going communications meetings in place • Formal reporting route established into Trust Board • Service provider external to HEFT needs to be agreed • Trust and Confidence of patients in private provider	• All patients have been identified in the mastectomy cohort. Review has consisted of individual case notes, triangulation with West Midlands Cancer database and histology reports. • National MDT has taken place. Establishing a supra MDT to undertake detail case note review of patients. New protocols to be developed. Other breast procedure patients identification is underway. • Review of Executive Oversight Group membership to be undertaken to ensure effectiveness • Regular meetings with Breast Cancer Patient Group. Presentations to Governors. Information on progress is reported as requested. • Weekly updates to project group from project manager - Now offering 12 month fixed term contracts to project staff to ensure retention • Updates provided to Breast Cancer support group at their request • Standing agenda item on monthly Trust Board meetings • Service provider identified - Contract negotiations underway. • Communication with patients to ensure clarity that they remain NHS patients not private patients

SR18 Mortality The current mortality trends and figures for the Trust (increase in the number of mortality outliers on the CQC IMR, a raised HSMR for 2012/13 and 2013-14 and an expected deterioration for SHMI figures) are indicating a potential quality and reputational risk for the Trust	12 – (3x4)	• Review of the mortality process by Stan Silverman from the Trust Development Authority • Participating in NHS Quest breakthrough series collaborative on deteriorating patients • Internal Audit review of the process • Deteriorating Patients Review Group - review of deteriorating patients / Sepsis and Cardiac Arrests • CQUIN for deteriorating patient • Improved governance arrangements regarding the pilot medical examiners role • Work programme to implement more care bundles across all three sites • Trust Morbidity and Mortality group • Directorate Morbidity and Mortality meetings • Review of CRAB data • Review of national audit data for Surgery	• Medical Director updates to Quality & Risk Committee and Trust Board • Will form part of DPRG meetings • Update on actions to Quality & Risk Committee and Audit Committee • DPRG minutes and updates to Quality and Risk Committee • Alerts are investigated and regular updates on mortality trends and improvement plans to Trust Board, Quality & Risk Committee and CQPG from Trust M&M group • Review the data monthly looking at trends and themes. Forms part of the mortality report to Q&R • Increased focus on national audits agreed this year and to be reported to clinical standards committee
SR19 Monitor enforcement action The Trust has received notification regarding section 111 enforcement action from Monitor. There is a risk of failure to deliver on the revised enforcement undertakings and adverse reputational risk for the Trust	16 – (4x4)	• Action plans have been developed against each of the specific Monitor S106 undertakings. • Additional resource allocated to monitor progress • Action plans shared with and signed off by Monitor and the CCGs. • Working closely with CCG senior colleagues to ensure alignment on key issues • Monitoring external environment re media - regards reputation risks • Integrated Improvement plan • PMO function created	• Action plans are being overseen by the Delivery Unit and monitored via EMB and the Trust Board • Regular reporting and monitoring of progress to EMB and Board via PMO and programme board

SR20 PMS2 The implementation of the PMS2 system (replacement for existing Outpatient and inpatients systems) has resulted in potential patient safety risk (potential delays in booking of patients due to unavailability of accurate data); reputational risk (suspension of statutory reporting to Monitor and inability to implement 18 week recovery plans due to lack of accurate data) and resources (directorate resource and manual validation requirements for booking teams)	20 – (4x5)	• Independent project review (December 2014) • Appointment of interim IM&T Director to oversee system review • Training has been signed off and initial rollout plan completed • Further technical review completed • Revised governance arrangements to be implemented with a focus on achieving project closure	• Final report provided to Trust December 2014 and presented to Board January 15 • Implementation update to programme board • Updates to Trust Board • PMS2/IM&T is one of the projects being developed through the PMO approach and therefore included in the Integrated Monitor plan - regular updates will therefore be provided through the PMO structure • * PMS2 project board has reconvened and has started meeting receiving regular update on project with planned closure Q1 2015/16 • Updates to new IM&T Board sub committee

Risk Scoring Matrix

		CONSEQUENCE				
LIKELIHOOD		Insignificant 1	Minor 2	Moderate 3	Major 4	Catastrophic 5
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

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 FoundationTrust. 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 byMonitor.

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.

Mr Andrew Foster
Chief executive
27 May 2015

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

Mr Les Lawrence
26 May 2015

Mr Andrew Foster
27 May 2015

Annual Accounts

Independent auditors' report to the Council of Governors of Heart of England NHS Foundation Trust

Report on the financial statements

Our opinion

In our opinion, Heart of England NHS Foundation Trust's ("the Trust's") group financial statements and parent Trust's financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's and of the Parent Trust's affairs as at 31 March 2015 and of the Group's income and expenditure and Group's and Parent Trust's cash flows for the year then ended; and
- have been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual (ARM) 2014/15.

What we have audited

The Group's and Trust's financial statements comprise:

- the Consolidated and Parent Trust's Statements of Financial Position as at 31 March 2015;
- the Consolidated Statement of Comprehensive Income for the year then ended;
- the Consolidated and Parent Trust's Statements of Cash Flows for the year then ended;
- the Consolidated and Parent Trust's Statements of Changes in Taxpayer's 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.

Certain required disclosures have been presented elsewhere in the "Annual Report and Accounts" (pages 1 – 199 of which shall be defined as the "Annual Report"), rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

The financial reporting framework that has been applied in the preparation of the financial statements is the NHS Foundation Trust Annual Reporting Manual 2014/15 issued by the Independent Regulator of NHS Foundation Trusts ("Monitor").

Our audit approach

Overview

- Overall Group materiality: £6.4 million, which represents 1 % of total revenue.

- The consolidated financial statements comprise the parent, Heart of England NHS Foundation Trust, and its subsidiary the Heart of England NHS Foundation Trust Charity.
- All work was performed by a single audit team who assessed the risks of material misstatement, taking into account the nature, likelihood and potential magnitude of any misstatement and determined the extent of testing we needed to do over each balance in the financial statements.

- Risk of fraud in revenue and expenditure recognition and management override of control; and
- Valuation of Property, Plant and Equipment.

Heart of England NHS Foundation Trust context

The Trust is a large acute foundation trust on three main sites in and around Birmingham: Birmingham Heartlands Hospital, Good Hope Hospital (in Sutton Coldfield) and Solihull Hospital. Financial accountancy services for the Group, Trust and Charity are centralised, on the Birmingham Heartlands Hospital site.

The Trust has an annual income of more than £640 million which is funded predominantly by local Clinical Commissioning Groups (with the majority being received from Birmingham Cross City CCG and Solihull CCG) and NHS England.

The Trust is the Corporate Trustee of the Heart of England NHS Foundation Trust Charity and consolidates the financial results of the Charity into the Group financial statements. The Charity received annual income of £1.5 million through donations, and has balances of £8.4 million.

The scope of our audit and our areas of focus

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)").

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are identified as "areas of focus" in the table below. We have also set out how we tailored our audit to address these specific areas in order to provide an opinion on the financial statements as a whole, and any comments we make on the results of our procedures should be read in this context. This is not a complete list of all risks identified by our audit.

Area of focus	*How our audit addressed the area of focus*
Risk of fraud in revenue and expenditure recognition and management override of controls	*Revenue and expenditure recognition*
See note 1 to the financial statements for the directors' disclosures of the related accounting policies, judgements and estimates relating to the recognition of income and expenditure and notes 2-5 for further information.	We confirmed that the accounting policy for revenue and expenditure recognition is consistent with the ARM. We tested material income by agreeing the income recognised to signed contracts, including variations. We checked a sample of receipts pre and post year end and found that they had been included and disclosed in the correct period.
We focused on this area because there is a heightened risks due to: • the Trust being under increasing financial pressure. Although management is addressing this, there is an incentive to recognise as much revenue as possible in 2014/15 to meet the Trust's plans; • given the operating position of the Trust, there are further risks that recognition of expenditure is deferred (by under-accruing for expenses that have been incurred during the period but which were not paid until after the date of transfer), that expenses are not recorded accurately and that judgemental provisions are under-estimated in order to improve the financial results in the current period; and • Complexities in the Service Level Agreements (SLAs) with the CCGs account for the majority of the Trust's income, which are renegotiated annually with a 'true up' negotiated at the end of financial year. The value and recoverability of the true up is subject to management judgement.	We tested expenditure recognised before and after the year end by tracing a sample of expenses recognised to supporting invoices, goods received notes and cash payments and found that they were recognised in the correct period and at the correct value. We tested deferred income balances, the majority of which were for a project funded by the Department of Health to identify and train staff with management potential. We confirmed by reading correspondence, that the project was ongoing. and that the deferred income balance was justified. had been Monitor sent us its mismatch reports identifying debtor, creditor, income and expenditure balances that were disputed by the counterparty. To check the results of management's investigations of the mismatches, we read correspondence with counterparties, which was consistent with management's results. We also considered the remaining disputed amounts effect on the Trust's financial statements, which were immaterial in the context of the financial statements. We found no issues in our testing.
We considered the key areas of focus to be: • Revenue and expenditure recognition; • Manipulation of journal postings to the general ledgers; and • Recognition and measurement of estimates - in particular, provisions (notably in respect of asbestos clinical remediations and redundancies) and accruals.	*Manipulation of journal postings to the general ledgers* We used data analysis techniques to identify the journals that had higher risk characteristics, for example, material journals or journals raised after the year end that impacted the income statement. Our analysis showed an unexpected increase in journal activity in February 2015 and we therefore focused our testing here too. We traced these journal entries to the supporting documentation (for example, invoices, goods received notes and cash receipts and payments) and found the journals posted to be supported by that documentation,

Area of focus	How our audit addressed the area of focus
	consistent with it and recognised in the correct accounting period. No issues were found. *Recognition and measurement of estimates* We evaluated and tested management's accounting estimates focusing on: • Provisions, in particular for asbestos and clinical remediation provisions; and • The accruals recognised at year end. We challenged the assumptions made by management using invoices, third party reports and budget costings and found the assumptions to be consistent with the evidence. Where provision balances reduced significantly, particularly the redundancy provision, we checked that the factors that originally justified the provision no longer applied and determined that they didn't. No issues were found.
Valuation of property, plant and equipment ***Refer to note 1.6 (Accounting Policies) and notes 10.1 of the financial statements.*** We focussed on this area because Property, plant and equipment ("PPE") represents the largest balance in the Trust's statement of financial position. The PPE balance at 31 March 2015 is £242.4 million of which £173.1 million relates to buildings subject to revaluation. All PPE assets are measured initially at cost, with land and buildings subsequently measured at fair value based on periodic valuations. The valuations are carried out by professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual, and are required to be performed with sufficient regularity to ensure that the carrying value is not materially different from fair value at the reporting date. The Trust undertook a full revaluation of its buildings in the 2012/13 financial year, and a partial revaluation in the 2013/14 financial year, for specific assets that were brought into use during that year. The Trust has not undertaken a full revaluation of its PPE assets in 2014/15, but has instead made an assessment of PPE valuation changes based on the most up to date valuation indices data. As a consequence of this assessment, the value of Trust property was revalued upwards by £3.3 million during the year.	We considered management's assessment that its property assets had increased by £3.3 million during the year. This included consideration of the property value indices used by the Trust in reaching this conclusion and noted no issues. We challenged the assumptions made by management in recognising this estimate – primarily through checking the indices used and comparing those used against other alternative indices prevalent in the sector. We also used our valuation expertise to check the assumptions used by the Trust. We identified no material issues.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Trust, the accounting processes and controls, and the environment in which the Trust operates. In establishing our overall approach we assessed the risks of material misstatement, taking into account the nature, likelihood and potential magnitude of any misstatement. Following this assessment, we applied professional judgement to determine the extent of testing required over each balance in the financial statements.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement, consistent with last year, we determined materiality for the financial statements as a whole as follows:

Overall Group materiality	£6.4 million (2014: £6.4 million)
How we determined it	1% of revenue
Rationale for benchmark applied	We have applied this benchmark, which is a generally accepted measure when auditing not for profit organisations of this size.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £250,000 (2014: £250,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Other required reporting in accordance with the Audit Code for NHS foundation trusts

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 2014/15.

Consistency of other information

Under the Audit Code for NHS foundation trusts we are required to report to you if, in our opinion:

• information in the Annual Report is: – materially inconsistent with the information in the audited financial statements; or – apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Trust acquired in the course of performing our audit; or – otherwise misleading.	We have no exceptions to report arising from this responsibility.
• the statement given by the directors on page 199, in accordance with provision C.1.1 of the NHS Foundation Trust Code of Governance, that they consider the Annual Report taken as a whole to be fair, balanced and understandable and provides the information necessary for members to assess the Group's and Parent Trust's performance, business model and strategy is materially inconsistent with our knowledge of the Group's and Parent Trust acquired in the course of performing our audit.	We have no exceptions to report arising from this responsibility.
• the section of the Annual Report on pages 161 to 162, as required by provision C.3.9 of the NHS Foundation Trust Code of Governance, describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.	We have no exceptions to report arising from this responsibility.
• the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2014/15 or is misleading or inconsistent with information of which we are aware from our audit. We are not required to consider, nor have we considered, whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.	We have no exceptions to report arising from this responsibility

Economy, efficiency and effectiveness of resources and Quality Report

Under the Audit Code for NHS Foundation Trusts we are required to report to you if:

• we have not been able to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.	We have an exception to report arising from this responsibility (see below).
• We have qualified, on any aspect, our opinion on the Quality Report	We have an exception to report arising from this responsibility. See our limited assurance report on the Quality Report on pages 154 to 157.

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

We draw your attention to the Trust's Annual Governance Statement. Monitor concluded in its Enforcement Undertaking dated 29 January 2015 that Heart of England NHS Foundation Trust failed to establish or effectively implement systems and/or processes to ensure compliance with its duty to operate efficiently, economically and effectively with healthcare standards. In reaching this conclusion Monitor referred to issues relating to the Board, management and leadership capacity and capability and the Trust's governance arrangements. This followed previous enforcement actions relating to the Trust's failure to comply with the 4-hour Accident and Emergency waiting time target, the referral to treatment (RTT) targets and cancer treatment targets.

As a result of the above, we are unable to satisfy ourselves that Heart of England NHS Foundation Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2015.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view in accordance with the NHS Foundation Trust Annual Reporting Manual 2014/15.

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 Council of Governors of Heart of England NHS Foundation Trust as a body in accordance with paragraph 24 of Schedule 7 of the National Health Service Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

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 Parent 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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.

Qualified Certificate

As reported above, we are unable to satisfy ourselves that Heart of England NHS Foundation Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2015. 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

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

28 May 2015

(a) The maintenance and integrity of the Heart of England Group 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.

These Accounts for the year ending 31 March 2015 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.

Mr Andrew Foster
Chief Executive
27 May 2015

PRIMARY STATEMENTS

Statement of comprehensive income

	Note	Group 2014/15 £000	Group 2013/14 £000	Foundation Trust 2014/15 £000	Foundation Trust 2013/14 £000
Operating Income	3.2	647,573	635,943	646,824	635,422
Operating Expenses	4.1	(648,267)	(636,829)	(646,952)	(635,306)
OPERATING (DEFICIT)/SURPLUS		**(694)**	**(886)**	**(128)**	**116**
FINANCE COSTS					
Finance income	7	666	698	441	386
Finance costs - financial liabilities	8.1	(263)	(282)	(263)	(282)
Finance costs - unwinding of discount on provisions		(3)	(3)	(3)	(3)
PDC Dividends payable		(5,656)	(5,574)	(5,656)	(5,574)
NET FINANCE COSTS		**(5,256)**	**(5,161)**	**(5,481)**	**(5,473)**
(DEFICIT) FOR THE YEAR		**(5,950)**	**(6,047)**	**(5,609)**	**(5,357)**
Other comprehensive income					
Impairments (1)	8.2	0	(434)	0	(434)
Revaluations (1)		3,300	0	3,300	0
Gain from transfer from demising bodies (1)		0	651	0	651
Fair value gains on Available-for-sale financial investments (1)		473	428	0	0
Total Other comprehensive income		3,773	645	3,300	217
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR		**(2,177)**	**(5,402)**	**(2,309)**	**(5,140)**

(1) None of these items will be subsequently reclassified to income and expenditure.

PRIMARY STATEMENTS

Statement of financial position as at :-

		Group		Foundation Trust	
		31 Mar 15	31 Mar 14	31 Mar 15	31 Mar 14
	Note	£000	£000	£000	£000
Non-current assets					
Intangible assets	9	10,685	9,040	10,685	9,040
Property, plant and equipment	10	242,389	238,251	242,389	238,251
Investments	12	8,096	7,613	0	0
Trade and other receivables	14	1,131	1,060	1,131	1,060
Total non-current assets		**262,301**	**255,964**	**254,205**	**248,351**
Current assets					
Inventories	13	8,491	7,997	8,491	7,997
Trade and other receivables	14	31,719	29,347	31,879	29,891
Cash and cash equivalents	22	88,241	87,971	87,671	86,699
Total current assets		**128,451**	**125,315**	**128,041**	**124,587**
Current liabilities					
Trade and other payables	15	(73,578)	(57,458)	(73,508)	(57,421)
Borrowings	17	(480)	(480)	(480)	(480)
Provisions for liabilities and charges	20	(8,748)	(12,763)	(8,748)	(12,763)
Other liabilities	16	(6,501)	(6,605)	(6,501)	(6,605)
Total current liabilities		**(89,307)**	(77,306)	**(89,237)**	(77,269)
Total assets less current liabilities		**301,445**	**303,973**	**293,009**	**295,669**
Non-current liabilities					
Trade and other payables	15	0	0	0	0
Borrowings	17	(3,986)	(4,320)	(3,986)	(4,320)
Provisions for liabilities and charges	20	(6,748)	(7,904)	(6,748)	(7,904)
Other liabilities	16	0	0	0	0
Total non-current liabilities		**(10,734)**	**(12,224)**	**(10,734)**	**(12,224)**
Total assets employed		**290,711**	**291,749**	**282,275**	**283,445**
Financed by					
Taxpayers' equity					
Public Dividend Capital		215,309	214,169	215,309	214,169
Revaluation reserve	21	47,707	46,719	47,707	46,719
Other reserves		(169)	(169)	(169)	(169)
Income and expenditure reserve		19,428	22,726	19,428	22,726
Others' equity					
Charitable Fund reserves		8,436	8,304	0	0
Total taxpayers' and others' equity		**290,711**	**291,749**	**282,275**	**283,445**

The annual accounts on pages 207 to 261 were approved by the Board of Directors on 27th May and signed on its behalf by:

Andrew Foster, Interim Chief Executive.

PRIMARY STATEMENTS
Statement of changes in equity

Group

2014/15	Note	Total Equity	Public Dividend Capital	Revaluation Reserve	Other Reserves	Income and Expenditure Reserve	Charitable Fund Reserves
		£000	£000	£000	£000	£000	£000
Taxpayers' and Others' Equity at 1 April 2014		**291,748**	**214,169**	**46,719**	**(169)**	**22,725**	**8,304**
(Deficit)/Surplus for the year		**(5,950)**				(6,167)	217
Transfers between reserves	21	**0**	0	(2,312)	0	2,312	0
Impairments	21	**0**		0		0	0
Revaluation gains/(losses)	21	**3,300**		3,300			0
Public Dividend Capital received		**1,140**	1,140				
Public Dividend Capital repaid		**0**	0				
Fair Value gains/(losses) on Available-for-sale financial investments		**473**					473
Other reserve movements	21	**0**	0	0	0	558	(558)
Taxpayers' and Others' Equity at 31 March 2015		**290,711**	**215,309**	**47,707**	**(169)**	**19,428**	**8,436**

Foundation Trust

2014/15	Note	Total Equity	Public Dividend Capital	Revaluation Reserve	Other Reserves	Income and Expenditure Reserve	Charitable Fund Reserves
		£000	£000	£000	£000	£000	£000
Taxpayers' and Others' Equity at 1 April 2014		**283,444**	**214,169**	**46,719**	**(169)**	**22,725**	**0**
(Deficit) for the year		**(5,609)**				(5,609)	0
Transfers between reserves	21	**0**	0	(2,312)	0	2,312	0
Impairments	21	**0**		0		0	0
Revaluation gains/(losses)	21	**3,300**		3,300			0
Public Dividend Capital received		**1,140**	1,140				
Public Dividend Capital repaid		**0**	0				
Fair Value gains/(losses) on Available-for-sale financial investments		**0**					0
Other reserve movements	21	**0**	0	0	0	0	0
Taxpayers' and Others' Equity at 31 March 2015		**282,275**	**215,309**	**47,707**	**(169)**	**19,428**	**0**

Group

2013/14	Total Equity	Public Dividend Capital	Revaluation Reserve	Other Reserves	Income and Expenditure Reserve	Charitable Fund Reserves
	£000	£000	£000	£000	£000	£000
Taxpayers' and Others' Equity at 1 April 2013	**294,095**	**211,114**	**50,621**	**(169)**	**23,963**	**8,566**
(Deficit)/Surplus for the year	**(6,047)**				(6,103)	56
Transfers between reserves	**0**	0	(3,468)	0	3,468	0
Impairments	**(434)**		(434)		0	0
Revaluation gains/(losses)	**0**		0		0	0
Transfers by modified absorption-gains and losses	**651**				651	
Public Dividend Capital received	**3,055**	3,055				
Public Dividend Capital repaid	**0**	0				
Fair Value gains/(losses) on Available-for-sale financial investments	**428**					428
Other reserve movements	**0**	0	0	0	746	(746)
Taxpayers' and Others' Equity at 31 March 2014	**291,748**	**214,169**	**46,719**	**(169)**	**22,725**	**8,304**

Foundation Trust

2013/14	Total Equity	Public Dividend Capital	Revaluation Reserve	Other Reserves	Income and Expenditure Reserve	Charitable Fund Reserves
	£000	£000	£000	£000	£000	£000
Taxpayers' and Others' Equity at 1 April 2013	**285,529**	**211,114**	**50,621**	**(169)**	**23,963**	**0**
(Deficit) for the year	**(5,357)**				(5,357)	0
Transfers between reserves	**0**	0	(3,468)	0	3,468	0
Impairments	**(434)**		(434)		0	0
Revaluation gains/(losses)	**0**		0		0	0
Transfers by modified absorption-gains and losses	**651**				651	
Public Dividend Capital received	**3,055**	3,055				
Public Dividend Capital repaid	**0**	0				
Fair Value gains/(losses) on Available-for-sale financial investments	**0**					0
Other reserve movements	**0**	0	0	0	0	0
Taxpayers' and Others' Equity at 31 March 2014	**283,444**	**214,169**	**46,719**	**(169)**	**22,725**	**0**

The split of charitable fund reserves between restricred and unrestricted funds is shown in Note 2.3

PRIMARY STATEMENTS
Statement of cash flows

	Note	Group 2014/15 £000	Group 2013/14 £000	Foundation Trust 2014/15 £000	Foundation Trust 2013/14 £000
Cash flows from operating activities					
Operating (deficit)/surplus		**(694)**	**(886)**	**(128)**	**116**
Depreciation and amortisation		18,359	18,039	18,359	18,039
Impairments		0	4,759	0	4,759
Reversals of impairments		0	0	0	0
Loss on disposal		195	31	195	31
Non-cash donations/grants credited to income		0	(711)	0	(711)
(Increase) in Trade and Other Receivables	14	(3,063)	(7,475)	(2,679)	(7,835)
Movement in Other Assets		0	0	0	0
(Increase) in Inventories	13	(495)	(258)	(495)	(258)
Increase in Trade and Other Payables	15	14,776	5,966	14,743	5,938
(Decrease) in Other Liabilities	16	(104)	(3,687)	(104)	(3,687)
Increase/(Decrease) in Provisions	20	(4,139)	2,521	(4,139)	2,521
Tax (paid)/received		0	0	0	0
Other movements in operating cash flows		0	(248)	0	(248)
Net cash generated from operating activities		**24,835**	**18,051**	**25,752**	**18,665**
Cash flows from investing activities					
Interest received		779	604	554	292
Purchase of financial assets		(893)	(6,955)	0	0
Sales of financial assets		883	6,966	0	0
Purchase of intangible assets		(431)	(1,705)	(431)	(1,705)
Purchase of Property, Plant and Equipment		(21,096)	(22,166)	(21,096)	(22,166)
Sales of Property, Plant and Equipment		0	0	0	0
Net cash used in investing activities		**(20,758)**	**(23,256)**	**(20,973)**	**(23,579)**
Cash flows from financing activities					
Public dividend capital received		1,140	3,055	1,140	3,055
Public dividend capital repaid		0	0	0	0
Capital element of finance lease rental payments	18	(137)	(119)	(137)	(119)
Capital element of Private Finance Initiative Obligations	19	(197)	(196)	(197)	(196)
Interest paid		0	0	0	0
Interest element of finance lease	8	(129)	(139)	(129)	(139)
Interest element of Private Finance Initiative obligations	8	(134)	(143)	(134)	(143)
PDC Dividend paid		(4,851)	(5,211)	(4,851)	(5,211)
Cash flows from other financing activities		501	701	501	701
Net cash used in financing activities		**(3,807)**	**(2,052)**	**(3,807)**	**(2,052)**
Increase/(Decrease) in cash and cash equivalents		**270**	**(7,257)**	**972**	**(6,966)**
Cash and Cash equivalents at 1 April		**87,971**	**95,228**	**86,699**	**93,665**
Cash and Cash equivalents at 31 March	22	**88,241**	**87,971**	**87,671**	**86,699**

NOTES TO THE ACCOUNTS
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 2014-15 NHS Foundation Trust ARM issued by Monitor. The accounting policies contained in that manual follow International Financial Reporting Standards (IFRS) and HM Treasury's Financial Reporting Manual (FReM) to the extent that they are meaningful and appropriate to the trust. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

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.

From 2013-14, the trust has consolidated the charitable fund as required by the FT ARM.

The main annual report and accounts 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.

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 unrestricted funds are 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 certainly 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.

NOTES TO THE ACCOUNTS
ACCOUNTING POLICIES (continued)

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 feasibly 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'.

NOTES TO THE ACCOUNTS
ACCOUNTING POLICIES (continued)

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 thereafter are charged to operating expenses. Gains and losses recognised in the revaluation reserve are reported in the statement of comprehensive income as an item of 'other comprehensive income'. Impairments relating to a loss of economic benefits or a loss of service potential are recognised in operating expenses.

On an annual basis the trust will transfer an amount from the revaluation reserve to the income and expenditure reserve to transfer the excess of current cost depreciation over historical cost depreciation to the income and expenditure reserve.

NOTES TO THE ACCOUNTS
ACCOUNTING POLICIES (continued)

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
dwellings	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 ssset 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.

NOTES TO THE ACCOUNTS
ACCOUNTING POLICIES (continued)

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 tofinance 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.

NOTES TO THE ACCOUNTS
ACCOUNTING POLICIES (continued)

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 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 recognised a transfer directly from a body which ceased 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 applied only to assets transferring directly from an entity which closed on 1 April 2013. No modified absorption accounting was applicable in 2014-15.

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 from 2013-14 see Note 33.

For property plant and equipment assets and intangible assets, thecost 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 (three 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.

NOTES TO THE ACCOUNTS
ACCOUNTING POLICIES (continued)

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 20 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 25 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are instead disclosed in note 25. 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 Pension 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.

NOTES TO THE ACCOUNTS
ACCOUNTING POLICIES (continued)

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 polices involved significant judgements;

(a) The assumption within the research and development business unit is that it breaks even in any financial year. The head of the business unit regularly reviews the income and costs and flexes resource and obtains sources of income depending on the activity of the department.

(b) The trust's policy on stock valuation is based on a first in first out basis. Some of the stock is valued manually and in some cases it has been necessary to value this stock on an average cost basis of stock purchased during the year. This has no material impact on the year end stock valuation.

1.16 **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 the value of the Kennedy review costs, the costs of putting right an environmental issue and the costs of putting right a clinical issue. The Kennedy review costs and the clinical issue 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.

NOTES TO THE ACCOUNTS
ACCOUNTING POLICIES (continued)

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 22.2) 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 2014; 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.

NOTES TO THE ACCOUNTS
ACCOUNTING POLICIES (continued)

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 2013-14 or 2014-15.

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 de-recognised when the obligation is discharged, cancelled or expires.

Classification and measurement

Financial assets are categorised as 'fair value through income and expenditure', 'loans and receivables', '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.

NOTES TO THE ACCOUNTS
ACCOUNTING POLICIES (continued)

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 **Going concern**

The financial statements have been prepared on a going concern basis.

NOTES TO THE ACCOUNTS
ACCOUNTING POLICIES (continued)

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 2014-15. 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	October 2010	Uncertain. Not likely to be adopted by the EU until the IASB has finished the rest of its financial instruments project.
IFRS 13 Fair Value Measurement	May 2011	Adoption delayed by HM Treasury. To be adopted from 2015-16.
IAS 36 (amendment) -recoverable amount disclosures	May 2013	To be adopted from 2015-16 (aligned to IFRS 13 adoption)
Annual improvements 2012	December 2013	Effective from 2015-16 but not yet EU adopted.
Annual improvements 2013	December 2013	Effective from 2015-16 but not yet EU adopted.
IAS 19 (amendment) -employer contributions to defined benefit pension schemes	November 2013	Effective from 2015-16 but not yet EU adopted.
IFRIC 21 Levies	May 2013	EU adopted in June 2014 but not yet adopted by HM Treasury

The trust has not adopted any of these policies early.

NOTES TO THE ACCOUNTS

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	
	2014/15	2013/14
	£000	£000
Operating Income	1,307	1,267
Operating Expenses	(1,873)	(2,269)
OPERATING (DEFICIT)	**(566)**	**(1,002)**
FINANCE COSTS		
Finance income	225	312
Finance costs	0	0
NET FINANCE INCOME	**225**	**312**
(DEFICIT) FOR THE YEAR	**(341)**	**(690)**

Reconciliation to Consolidated 'Group' Surplus/(Deficit) for the year:

	Charity		Foundation Trust		Group	
	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14
	£000	£000	£000	£000	£000	£000
(DEFICIT)/SURPLUS FOR THE YEAR	**(341)**	**(690)**	**(5,609)**	**(5,357)**	**(5,950)**	**(6,047)**
Operating Income-Eliminations	0	0	(558)	(746)	(558)	(746)
Operating Expenses-Eliminations	558	746	0	0	558	746
CONSOLIDATED SURPLUS/(DEFICIT) FOR THE YEAR	**217**	**56**	**(6,167)**	**(6,103)**	**(5,950)**	**(6,047)**

NOTES TO THE ACCOUNTS

Note 2.3 Charity-statement of financial position

	Charity	
	2014/15	2013/14
	£000	£000
Non-current assets		
Investments	8,096	7,613
Total non-current assets	**8,096**	**7,613**
Current assets		
Inventories	0	0
Trade and other receivables	37	32
Other financial assets	0	0
Cash and cash equivalents	570	1,272
Total current assets	**607**	**1,304**
Current liabilities		
Trade and other payables	(267)	(613)
Other liabilities	0	0
Total current liabilities	**(267)**	**(613)**
Total assets less current liabilities	**8,436**	**8,304**
Total assets employed	**8,436**	**8,304**
Financed by Equity		
Charitable Fund reserves	8,436	8,304
Total Equity	**8,436**	**8,304**
The Charitable Fund Reserves can be analysed as follows:		
Restricted funds	1,698	2,003
Unrestricted funds	6,738	6,301
Total Charitable Funds	**8,436**	**8,304**

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.

The largest restricted fund is £1,681k and is for a post graduate medical centre development. There are two other restricted funds.

Reconciliation to figures included in consolidated 'group' statement of financial position:

	Charity		Foundation Trust		Group	
	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14
	£000	£000	£000	£000	£000	£000
Non-current assets	**8,096**	**7,613**	**254,205**	**248,351**	**262,301**	**255,964**
Current assets	607	1,304	128,041	124,587	**128,648**	**125,891**
Trade and other receivables-eliminations	(197)	(576)	0	0	**(197)**	**(576)**
Current liabilities	(267)	(613)	(89,237)	(77,269)	**(89,504)**	**(77,882)**
Trade and other payables-eliminations	0	0	197	576	**197**	**576**
Non-current liabilities	0	0	(10,734)	(12,224)	**(10,734)**	**(12,224)**
Total assets employed (consolidated)	8,239	7,728	282,472	284,021	**290,711**	**291,749**
Financed by						
Taxpayers' equity			282,275	283,445	**282,275**	**283,445**
Others' equity	8,436	8,304			**8,436**	**8,304**
Total equity (consolidated)	8,436	8,304	282,275	283,445	**290,711**	**291,749**

NOTES TO THE ACCOUNTS

Note 3.1 Operating segments

Trust wide summary of segments

	2014/15				2013/14			
	Operational Healthcare	Research and Development	Charity	Total Segments	Operational Healthcare	Research and Development	Charity	Total Segments
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income	627,329	2,709	1,532	631,570	613,998	4,136	1,579	619,713
Costs	(556,001)	(2,709)	(1,873)	(560,583)	(540,552)	(4,263)	(2,269)	(547,084)
Net (deficit)/surplus	71,328	0	(341)	70,987	73,446	(127)	(690)	72,629

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, foundation 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. The Divisions are managed by the Delivery Unit, a triumvirate of the Medical Director, the Chief Nurse and the Director of Delivery. This Delivery Unit 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 almost 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 have been consolidated from the 2013-14 financial. The full results of the charity are shown in note 2.

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	2014/15 £'000	2013/14 £'000
Segmental income	631,570	619,713
less Eliminations on consolidation	(558)	(746)
less Charity Finance income	(225)	(312)
add Corporate and facilities income	16,786	17,288
Trust wide income	**647,573**	**635,943**

Surplus	2014/15 £'000	2013/14 £'000
Segmental surplus	70,987	72,629
Corporate and facilities deficits	(76,937)	(73,917)
Net Impairments	0	(4,759)
Trust wide (deficit)/surplus	**(5,950)**	**(6,047)**

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) and 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

NOTES TO THE ACCOUNTS

Note 3.2 Operating income

	Group		Foundation Trust	
	2014/15 Total £000	2013/14 Total £000	2014/15 Total £000	2013/14 Total £000
Income from activities (See Note 3.2.1 below)	**580,582**	562,839	**580,582**	562,839
Other operating income (See Note 3.6)	**66,991**	73,104	**66,242**	72,583
TOTAL	**647,573**	**635,943**	**646,824**	**635,422**

Note 3.2.1 Income from activities

	Group		Foundation Trust	
	2014/15 Total £000	2013/14 Total £000	2014/15 Total £000	2013/14 Total £000
NHS Foundation Trusts	**0**	0	**0**	0
NHS Trusts	**0**	0	**0**	0
CCGs and NHS England	**567,820**	550,088	**567,820**	550,088
Local Authorities	**9,675**	9,545	**9,675**	9,545
Non NHS: Private patients	**589**	628	**589**	628
Non-NHS: Overseas patients (non-reciprocal)	**161**	163	**161**	163
NHS injury scheme (was RTA)	**2,337**	2,415	**2,337**	2,415
TOTAL	**580,582**	**562,839**	**580,582**	**562,839**

NHS Injury Scheme income is subject to a provision for doubtful debts of 18.9% (12.6% in 2013-14) 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, £577,495k (2013-14 £559,633k) is commissioner services income and £3,087k (2013-14 £3,206k) 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 - Overseas visitors patients' income

	Group/Foundation Trust	
	2014/15 Total £000	2013/14 Total £000
Income recognised this year	161	163
Cash payments received in-year (relating to invoices raised in current and previous years)	124	153
Amounts added to provision for impairment of receivables (relating to invoices raised in current and prior years)	330	348
Amounts written off in-year (relating to invoices raised in current and previous years)	55	0

This income £161k (2013-14 £163k) is charged by the trust directly to patients who are not entitled to free NHS care under the Department of Health 'Guidance on implementing overseas visitor hospital charging regulations 2015'.

NOTES TO THE ACCOUNTS

	Group		Foundation Trust	
	2014/15 Total £000	2013/14 Total £000	2014/15 Total £000	2013/14 Total £000
Operating lease Income				
Rents recognised as income in the year	62	60	62	60
Contingent rents recognised as income in the year	0	0	0	0
TOTAL	**62**	**60**	**62**	**60**
Future minimum lease receipts due				
not later than one year;	0	31	0	31
later than one year and not later than five years;	0	0	0	0
later than five years.	0	0	0	0
TOTAL	**0**	**31**	**0**	**31**

The trust leases the clinical waste facility based at the Yardley Green Road site to Tradebe Healthcare Limited (formerly Britcare Limited). The original lease was for a 10 year term, and was extended to the 31st March 2015.

Note 3.6 Other operating income

	Group		Foundation Trust	
	2014/15 Total £000	2013/14 Total £000	2014/15 Total £000	2013/14 Total £000
Research and development	4,176	4,137	4,176	4,139
Education and training	22,128	22,102	22,142	22,105
Charitable and other contributions to expenditure	1,307	1,267	501	711
Non-patient care services to other bodies	12,534	22,999	12,534	22,999
Car parking income	4,780	4,628	4,780	4,628
Staff accommodation rentals	278	306	278	306
Clinical excellence awards	960	993	960	993
Catering income	1,014	635	1,014	635
Property rentals	916	996	916	996
Rental revenue from operating leases	62	60	62	60
Amortisation of PFI deferred credits	0	0	0	0
Reversal of impairments of property, plant and equipment	0	0	0	0
Other	18,836	14,981	18,879	15,011
TOTAL	**66,991**	**73,104**	**66,242**	**72,583**

Car parking includes £1,367k (2013-14 £1,361k) 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.

In 2014-15 a review was undertaken to establish the most appropriate reporting lines for other operating income. As a result of this there was a movement of net income of £5.6m from 'non-patient care services' to 'other'. The biggest part of this shift is the retinal screening contract £3.6m (2013-14 £3.7m).

Other income for 2014-15 of £18.8m (2013-14 £15.0m) includes £2.1m (2013-14 £3.1m) of community services income. The trust also received £0.3m (2013-14 £2.3m) to fund the trust's Pathology project and a change in the way maternity pathways are funded produced income of £3.4m (2013-14 £3.2m).

Property rentals of £916k (2013-14 £996k) comprises a number of agreements with third party organisations of both a formal and informal nature for the rental of trust space. This can be broken down as follows:

	Group		Foundation Trust	
	2014/15 £000	2013/14 £000	2014/15 £000	2013/14 £000
Sterilisation Services	104	99	104	99
Clinical waste services (Tradebe Healthcare)	62	60	62	60
CCG - community service wards	468	450	468	450
Badger Clinics	141	139	141	139
WH Smith	62	44	62	44
BHE Heartlands (Assura)	38	65	38	65
Other commercial organisations	41	139	41	139
	916	**996**	**916**	**996**

NOTES TO THE ACCOUNTS

Note 4.1 Operating expenses

	Group		Foundation Trust	
	2014/15 Total £000	**2013/14 Total £000**	**2014/15 Total £000**	**2013/14 Total £000**
Employee expenses (1)	411,969	396,573	411,791	396,503
Drug costs	58,544	51,379	58,544	51,377
Supplies and services - clinical (excluding drug costs)	70,027	66,642	69,713	66,108
Supplies and services - general	16,626	17,397	16,604	17,368
Establishment	5,246	5,928	5,144	5,805
Research and development (2)	2,675	2,636	2,675	2,636
Transport (Business travel only)	1,418	1,511	1,418	1,511
Transport (Other)	1,300	1,152	1,300	1,152
Premises	24,319	30,581	24,113	30,316
Increase/(decrease) in bad debt provision	(29)	2,291	(29)	2,291
Rentals under operating leases	1,009	1,049	1,009	1,049
Change in provisions discount rate	19	28	19	28
Inventories written down (net, including inventory drugs)	103	97	103	97
Inventories consumed (excluding drugs)	4,228	3,957	4,228	3,957
Depreciation on property, plant and equipment	17,404	17,398	17,404	17,398
Amortisation on intangible assets	955	641	955	641
Impairments of property, plant and equipment (3)	0	4,759	0	4,759
Impairments of intangible assets (3)	0	0	0	0
Audit fees (4)				
audit services - statutory audit	84	87	84	87
audit services - regulatory reporting	32	14	32	14
audit services - charity accounts	15	15	0	0
Other non-audit services	0	103	0	103
Clinical negligence	12,795	12,185	12,795	12,185
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	195	31	195	31
Legal fees	1,178	732	1,178	731
Consultancy costs	1,872	2,246	1,872	2,246
Training, courses and conferences	2,642	2,423	2,530	2,223
Patient travel	2,698	2,652	2,696	2,652
Car parking and Security	1,286	1,275	1,286	1,275
Restructuring	(2,456)	(334)	(2,456)	(334)
Early retirements	34	60	34	60
Hospitality	121	142	99	110
Publishing	165	128	162	125
Insurance	897	884	897	884
Other services	10,065	6,652	10,065	6,652
Losses, ex gratia and special payments	(243)	74	(243)	74
Other	1,074	3,441	735	3,192
TOTAL	**648,267**	**636,829**	**646,952**	**635,306**

(1) Employee Expenses is broken down as follows:

	£000	**£000**	**£000**	**£000**
Executive Directors	1,386	1,345	1,386	1,345
Non Executive Directors	160	170	160	170
Staff	410,423	395,058	410,245	394,988
	411,969	**396,573**	**411,791**	**396,503**

(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 £84k (2013-14 £87k) relates to statutory audit work, including the fees for additional work on revaluation. Regulatory reporting fees are for Quality Accounts and for additional work on the enforcement undertakings at the trust. There has been £0k (2013-14 £103k) of other audit work. The trust's contract with its auditors provides for a limitation on the auditors' liabilty of £5m (2013-2014 £5m).

NOTES TO THE ACCOUNTS

Note 4.2 Operating lease expenditure

	Group		Foundation Trust	
	2014/15 Total £000	2013/14 Total £000	2014/15 Total £000	2013/14 Total £000
Hire of plant and machinery	**501**	425	**501**	425
Expenditure on other operating leases	**508**	624	**508**	624
TOTAL	**1,009**	**1,049**	**1,009**	**1,049**

Note 4.3 Analysis of operating leases

	Group		Foundation Trust	
	2014/15 Total £000	2013/14 Total £000	2014/15 Total £000	2013/14 Total £000
Minimum lease payments	**1,009**	1,049	**1,009**	1,049
Contingent rents	**0**	0	**0**	0
Less sublease payments received	**0**	0	**0**	0
TOTAL	**1,009**	**1,049**	**1,009**	**1,049**

	31 Mar 15 £000	31 Mar 14 £000	31 Mar 15 £000	31 Mar 14 £000
Future minimum lease payments due:				
not later than one year;	**827**	705	**827**	705
later than one year and not later than five years;	**1,815**	2,392	**1,815**	2,392
later than five years.	**103**	1,173	**103**	1,173
TOTAL	**2,745**	**4,270**	**2,745**	**4,270**

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 2014-15 year there were 17 (2013-14 17) lease agreements in place for various items of medical equipment (ranging from mattresses to CT scanners). The length of these leases ranges between five to 15 years. There are four leases for motor vehicles for community health workers. In addition, there are six operating contracts in place for the lease of land and buildings which includes Renal dialysis units. The lease agreements range from five to 20 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.

NOTES TO THE ACCOUNTS

Note 4.4 Salary and pension entitlements of senior managers

A) Remuneration

Name and Title	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
Mark Newbold (Chief Executive up to 30 Nov 2014)	125-130	0	95-100	(12.5)-(10.0)
Andrew Foster (Interim Chief Executive from 16 Feb 2015)(5)	65-70	0	0	0
Andrew Catto (Medical Director to 14 Nov 2014 and Interim Chief Executive from 14 Nov 2014 to 16 Feb 2015, Executive Medical Director & Deputy Chief Executive w.e.f 16 Feb 2015)	195-200	0	0	
Sam Foster (Acting Chief Nurse to 31 Aug 2014 and Chief Nurse from 01 Sept 2014)	110-115	0	0	177.5-180.0
Adrian Stokes (Director of Delivery & Deputy Chief Executive)(1)	155-160	0	0	152.5-155.0
Sarah Woolley (Director of Safety and OD up to 31 Aug 2014)	65-70	0	90-95	42.5-45.0
Lisa Thomson (Director of Patient Experience & External Affairs)	125-130	0	0	(2.5)-0.0
Aidan Quinn (Acting Director of Finance & Resources from 01 Jun 2014 to 16 Jan 2015) (2)	70-75	0	0	22.5-25.0
Darren Cattell (Interim Director of Finance & Performance from 19 Jan 2015)(3)	55-60	0	0	62.5-65
Clive Ryder (Interim Medical Director from 14 Nov 2014 to 16 Feb 2015) (4)	35-40	0	0	0
Simon Hackwell (Commercial Director up to 31 May 2014)	25-30	0	0	2.5-5
Jonathan Brotherton (Director of Operations from 04 Mar 2015)	5-10	0	0	(5.0)-(2.5)
Hazel Gunter (Director of Workforce & OD from 04 Mar 2015)	5-10	0	0	10-12.5
Phillip Hunt (Chairman up to 31 May 2014)	5-10	0	0	0-2.5
Leslie Lawrence (Non Executive Director to 31 May 2014 and Chair from 01 Jun 2014)	40-45	0		0
Alison Lord (Non Executive Director)	15-20	0	0	0
Jammi Rao (Non Executive Director)	10-15	0	0	0
David Lock (Non Executive Director)	10-15	0	0	0
Patrick Cadigan (Non Executive Director)	10-15	0	0	0
Laura Serrant-Green (Non Executive Director)	10-15	0	0	0
Karen Kneller (Non Executive Director from 01 Oct 2014)	5-10	0	0	0
Andrew Edwards (Non Executive Director from 01 Oct 2014)	5-10	0	0	0
Edward Peck (Non Executive Director up to 31 Jul 2014)	0-5	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 26.3.
The median remuneration of the trust's staff is £26k (£26k 2013-14) compared to the mid point of the banded remuneration of the highest paid director above £192.5k (£192.5k 2013-14). The ratio of the median to highest paid director is 0.14 (0.14 2013-14).

The directors' 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 2015 (30, at 31 March 2014), £5k was incurred on governors' expenses in 2014/15 (£3k, 2013-14).

Taxable benefits Rounded to the nearest £1000	Director's Expenses Rounded to the nearest £1000	Total (bands of £5000) £000	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
0	1.5	210-215	190-195	0	0	35-37.5	0	1.9	225-230
0	0.0	65-70	n/a	n/a	n/a	n/a	n/a	n/a	n/a
0	1.4	375-380	15-20	0	0	20.0-22.5	0	0.0	35-40
0	0.0	265-270	60-65	0	0	122.5-125.0	0	0.1	185-190
0	0.1	195-200	155-160	0	0	42.5-45.0	0	0.1	195-200
0	0.0	155-160	130-135	0	0	40.0-42.5	0	0.0	170-175
0	0.9	150-155	125-130	0	0	72.5-75.0	0	1.2	200-205
0	0.1	135-140	n/a	n/a	n/a	n/a	n/a	n/a	n/a
0	0.0	55-60	n/a	n/a	n/a	n/a	n/a	n/a	n/a
0	0.0	40-45	35-40	0	0	0	0	0.0	35-40
0	0.0	20-25	135-140	0	0	50.0-52.5	0	0.3	185-190
0	0.2	20-25	n/a	n/a	n/a	n/a	n/a	n/a	n/a
0	0.1	10-15	n/a	n/a	n/a	n/a	n/a	n/a	n/a
0	0.0	5-10	45-50	0	0	0	0	0.2	50-55
0	0.6	45-50	15-20	0	0	0	0	1.1	15-20
0	0.5	15-20	10-15	0	0	0	0	1.0	15-20
0	0.8	10-15	10-15	0	0	0	0	0.3	10-15
0	0.3	10-15	5-10	0	0	0	0	0.7	10-15
0	0.0	10-15	10-15	0	0	0	0	0.0	10-15
0	0.0	10-15	10-15	0	0	0	0	0.0	10-15
0	0.0	5-10	n/a	n/a	n/a	n/a	n/a	n/a	n/a
0	0.2	5-10	n/a	n/a	n/a	n/a	n/a	n/a	n/a
0	0.3	0-5	10-15	0	0	0	0	0.5	10-15

1. With effect from 9 December 2013 Adrian Stokes' title changed to director of emergency pathway transformation and deputy chief executive
2. Aidan Quinn was appointed acting finance director on 9 December 2013 as a non-voting director. He stepped down on 16 January when Darren Cattell took up the post of Interim Director of Finance and Performance
3. Darren Cattell's salary is paid via a consultancy company. There are no pension benefits.
4. For the period of being acting medical director (23 Dec 2013 - 28 Feb 2014), Clive Ryder's salary was paid by Birmingham Children's Hospital and recharged to the trust, so his pension benefits were held by them. Since then, he has transferred onto the trust's payroll.
5. Andrew Foster is paid by Wrightington Wigan & Leigh (WWL) NHS Foundation Trust and his salary is recharged to the trust. His full pension benefit details are also recorded within the books of WWL Foundation Trust.
6. Directors' expenses have been calculated in £000's which is a departure from the 'Annual Reporting Manual' which states that Directors' expenses should be presented in £00's.

NOTES TO THE ACCOUNTS

Note 4.4 Salary and pension entitlements of senior managers (continued)

B) Pension Benefits

Name and current 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 2015 (bands of £5,000) £000
Mark Newbold (Chief Executive up to 30 Nov 2014)	0-2.5	2.5-5	70-75
Andrew Foster (Interim Chief Executive)	2.5-5	7.5-10	15-20
Andrew Catto (Executive Medical Director & Deputy Chief Executive)	7.5-10	25-27.5	45-50
Sam Foster (Chief Nurse)	5-7.5	20-22.5	30-35
Adrian Stokes (Director of Finance & Performance & Deputy Chief Executive)	2.5-5	7.5-10	35-40
Sarah Woolley (Director of Safety and OD up to 31 Aug 2014)	0-2.5	0-2.5	30-35
Lisa Thomson (Director of Patient Experience & External Affairs)	0-2.5	2.5-5	15-20
Aidan Quinn (Acting Director of Finance & Resources up to 16 Jan 2015)	2.5-5	7.5-10	25-30
Clive Ryder (Interim Medical Director up to 16 Feb 2015)	0-2.5	0-2.5	45-50
Simon Hackwell (Commercial Director up to 31 May 2014)	0-2.5	0-2.5	20-25
Jonathan Brotherton (Director of Operations)	0-2.5	0-2.5	25-30
Hazel Gunter (Director of Workforce & OD)	0-2.5	0-2.5	10-15

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.

Lump sum at age 60 related to accrued pension at 31 March 2014 (bands of £5000) £000	Cash Equivalent Transfer Value at 31 March 2015 £000	Cash Equivalent Transfer Value at 31 March 2014 £000	Real Increase in Cash Equivalent Transfer Value £000	Employers Contribution to Stakeholder Pension To nearest £100
200-225	1,492	1,463	(7)	0
55-60	(228)	361	0	0
145-150	885	704	113	0
90-95	434	319	74	0
105-110	560	503	30	0
95-100	481	457	8	0
55-60	340	304	20	0
75-80	399	314	53	0
140-145	934	868	29	0
60-65	365	348	5	0
75-80	343	277	41	0
30-35	220	220 185	21	0

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.

NOTES TO THE ACCOUNTS

Note 5.1 Employee expenses

	Group				Foundation Trust			
	2014/15 Total £000	2014/15 Permanent £000	2014/15 Other £000	2013/14 Total £000	2014/15 Total £000	2014/15 Permanent £000	2014/15 Other £000	2013/14 Total £000
Wages and salaries	**330,163**	330,093	70	321,418	**329,985**	329,915	70	321,348
Social security costs	**25,399**	25,399	0	24,248	**25,399**	25,399	0	24,248
Pension costs - defined contribution plans Employers contributions to NHS Pensions	**37,313**	37,313	0	36,503	**37,313**	37,313	0	36,503
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	**18,934**	0	18,934	14,896	**18,934**	0	18,934	14,896
TOTAL	**411,809**	**392,805**	**19,004**	**397,065**	**411,631**	**392,627**	**19,004**	**396,995**

In addition to the costs above, the trust has incurred capitalised staff costs of £646k (£662k, 2013-14).

Total employee expenses do not include non executive director costs but include restructuring and early retirement costs as disclosed in Note 4.1.

Employee expeses from the charity of £178k (£70k, 2013-14) are included in the group figures above.

Note 5.2 Compensation schemes-Exit packages (by cost band)

	Group/Foundation Trust					
Exit package cost band	**Number of compulsory redundancies**		**Number of other departures agreed**		**Total number of exit packages by cost band**	
	2014/15	**2013/14**	**2014/15**	**2013/14**	**2014/15**	**2013/14**
<£10,000	0	0	16	3	16	3
£10,001 - £25,000	0	0	7	0	7	0
£25,001 - £50,000	0	0	6	0	6	0
£50,001 - £100,000	0	0	0	0	0	0
£100,001 - £150,000	0	0	1	0	1	0
£150,001 - £200,000	0	0	0	0	0	0
>£200,001	0	0	1	0	1	0
Total number of exit packages by type	**0**	**0**	**31**	**3**	**31**	**3**
Total cost (£000)	**0**	**0**	**772**	**9**	**772**	**9**

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.

Note 5.3 Compensation schemes-Exit packages (by category)

	Group/Foundation Trust			
Exit package category	**Payments agreed**	**Total value of agreements**	**Payments agreed**	**Total value of agreements**
	Number	**£000**	**Number**	**£000**
	2014/15	**2014/15**	**2013/14**	**2013/14**
Voluntary redundancies including early retirement contractual costs	0	0	0	0
Mutually agreed resignations (MARS) contractual costs	23	343	0	0
Early retirements in the efficiency of the service contractual costs	0	0	0	0
Contractual payments in lieu of notice	8	429	3	9
Exit payments following employment tribunals or court orders	0	0	0	0
Non-contractual payments requiring HMT approval	0	0	0	0
Total	**31**	**772**	**3**	**9**

NOTES TO THE ACCOUNTS

Note 5.4 Staff sickness absence

	Group/Foundation Trust	
	2014/15	2013/14
	Number	Number
Days lost (long term)	**89,161**	78,810
Days lost (short term)	**47,558**	45,888
Total days lost	**136,719**	**124,698**
Total staff years	**8,956**	8,948
Average working days lost	**15.3**	13.9
Total staff employed in the year (headcount)	**10,358**	10,381
Total staff employed in the year with no absence (headcount)	**3,614**	3,846
Percentage staff with no sick leave	**34.9%**	**37.0%**

Note 5.5 Monthly average number of employees (whole time equivalent)

	Group/Foundation Trust	
	2014/15	2013/14
	Total	Total
	Number	Number
Medical and dental	1,022	1,002
Ambulance staff	0	0
Administration and estates	2,064	2,053
Healthcare assistants and other support staff	1,467	1,444
Nursing, midwifery and health visiting staff	2,962	2,923
Nursing, midwifery and health visiting learners	0	0
Scientific, therapeutic and technical staff	1,438	1,408
Social care staff	0	0
Bank and agency staff	613	747
Other	0	0
TOTAL	**9,566**	**9,577**

Included in the above, there were 9 employees engaged on capital projects (10, 2013-14) and 2 staff engaged on the administration of the charity (2, 2013-14).

Note 5.6 Employee Benefits in kind

Other than trust contributions to the NHS Pension Scheme, there were no employee benefits in kind in 2014-15 or 2013-14.

Note 5.7 Early retirements due to ill health

	Group/Foundation Trust	
	2014/15	2013/14
	Total	Total
Number of early retirements on the grounds of ill-health	12	8
Value of early retirements on the grounds of ill-health (£000)	500	425

The cost of these ill health retirements will be borne by the NHS Business Services Authority (Pensions Division).

NOTES TO THE ACCOUNTS

Note 5.8 Pension costs

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

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that ''the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these is as follows:

a) Accounting valuation

A valuation of the scheme liability is carried out annually by the scheme actuary as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period and are accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2015, is based on valuation data as 31 March 2014, updated to 31 March 2015 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Pension Accounts, published annually. These accounts can be viewed on the NHS Pensions website. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the scheme (taking into account its recent demographic experience), and to recommend the contribution rates.

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012.

The Scheme Regulations 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 representatives as deemed appropriate.

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 pension able 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 there levant pensionable service.

With effect from 1 April 2008 member scan 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.

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

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the employer.
Members can purchase additional service in the NHS Scheme and contribute to money purchase AVC's run by the Scheme's approved providers or by other Free Standing Additional Voluntary Contributions (FSAVC) providers.

NOTES TO THE ACCOUNTS

Note 6 Better Payment Practice code

Better Payment Practice code-measure of compliance

	Group/Foundation Trust			
	Number	**Value**	Number	Value
	2014/15	**2014/15**	2013/14	2013/14
		£000		£000
Total bills paid in the year	**171,616**	**224,559**	159,039	214,047
Total bills paid within target	**142,780**	**194,003**	148,403	206,604
Percentage of bills paid within target	**83%**	**86%**	93%	97%

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	
	2014/15	**2013/14**	**2014/15**	**2013/14**
	£000	**£000**	**£000**	**£000**
Interest on bank accounts	449	401	441	386
Interest on loans and receivables	0	0	0	0
Interest on available for sale financial assets	217	297	0	0
Interest on held-to-maturity financial assets	0	0	0	0
TOTAL	**666**	**698**	**441**	**386**

Interest of £217k (£297k, 2013/14) included in the Group figure was earned from investments held by the Charity (See Note12).

Note 8.1 Finance costs- financial liabilities

	Group		Foundation Trust	
	2014/15	**2013/14**	**2014/15**	**2013/14**
	£000	**£000**	**£000**	**£000**
Finance leases	**129**	139	**129**	139
Finance Costs in PFI obligations:				
Main Finance Costs	**134**	143	**134**	143
Contingent Finance Costs	**0**	0	**0**	0
Other	**0**	0	**0**	0
TOTAL	**263**	**282**	**263**	**282**

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	
	2014/15	**2013/14**
	£000	**£000**
Reversal of impairments	**0**	(632)
Changes in market price	**0**	5,825
TOTAL	**0**	**5,193**

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.

NOTES TO THE ACCOUNTS

Note 9.1 Intangible assets 2014-15

	Group/Foundation Trust				
	Total	Software licences (purchased)	Licences & trademarks (purchased)	Other (purchased)	Intangible Assets Under Construction
	£000	£000	£000	£000	£000
Gross cost at 1 April 2014	**17,576**	11,377	0	0	6,199
Additions - purchased	**2,207**	1,232	0	0	975
Additions - donated	**0**	0	0	0	0
Transfers by Normal absorption	**0**	0	0	0	0
Revaluations	**0**	0	0	0	0
Reclassifications	**403**	330	0	0	73
Disposals	**0**	0	0	0	0
Gross cost at 31 March 2015	**20,186**	12,939	0	0	7,247
Accumulated Amortisation at 1 April 2014	**8,536**	8,536	0	0	0
Provided during the year	**955**	955	0	0	0
Impairments	**0**	0	0	0	0
Reclassifications	**10**	10	0	0	0
Revaluation surpluses	**0**	0	0	0	0
Disposals	**0**	0	0	0	0
Accumulated Amortisation at 31 March 2015	**9,501**	9,501	0	0	0
Net book value					
NBV - Purchased at 1 April 2014	**9,023**	2,824	0	0	6,199
NBV - Donated at 1 April 2014	**17**	17	0	0	0
NBV total at 1 April 2014	**9,040**	2,841	0	0	6,199
Net book value					
NBV - Purchased at 31 March 2015	**10,674**	3,427	0	0	7,247
NBV - Donated at 31 March 2015	**11**	11	0	0	0
NBV total at 31 March 2015	**10,685**	3,438	0	0	7,247

The figures above represent the position of the group and the foundation trust as the charity has no intangible assets (See Note 2).

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.

NOTES TO THE ACCOUNTS

Note 9.2 Intangible assets 2013-14

	Group/Foundation Trust				
	Total	Software licences (purchased)	Licences & trademarks (purchased)	Other (purchased)	Intangible A Unde Construc
	£000	£000	£000	£000	
Gross cost at 1 April 2013	**13,075**	8,189	0	0	
Additions - purchased	**2,466**	1,295	0	0	
Additions - donated	**10**	10	0	0	
Transfers by modified absorption	**6**	6	0	0	
Revaluations	**0**	0	0	0	
Reclassifications	**2,811**	2,669	0	0	
Disposals	**(792)**	(792)	0	0	
Gross cost at 31 March 2014	**17,576**	11,377	0	0	
Accumulated amortisation at 1 April 2013	**7,428**	7,428	0	0	
Provided during the year	**641**	641	0	0	
Impairments	**0**	0	0	0	
Reclassifications	**1,259**	1,259	0	0	
Revaluation surpluses	**0**	0	0	0	
Disposals	**(792)**	(792)	0	0	
Accumulated amortisation at 31 March 2014	**8,536**	8,536	0	0	
Net book value					
NBV - Purchased at 1 April 2013	**5,635**	749	0	0	
NBV - Donated at 1 April 2013	**12**	12	0	0	
NBV total at 1 April 2013	**5,647**	761	0	0	
Net book value					
NBV - Purchased at 31 March 2014	**9,023**	2,824	0	0	
NBV - Donated at 31 March 2014	**17**	17	0	0	
NBV total at 31 March 2014	**9,040**	2,841	0	0	

The figures above represent the position of the group and the foundation trust as the charity has no intangible assets (See Note 2).

NOTES TO THE ACCOUNTS

Note 10.1 Property, plant and equipment 2014-15

	Total	Land	Buildings excluding dwellings
	£000	£000	£000
Cost or valuation at 1 April 2014	**318,731**	26,447	186,074
Additions - purchased	**18,329**	0	2,901
Additions - leased	**0**	0	0
Additions - donated	**501**	0	55
Transfers by Modified absorption	**0**	0	0
Impairments charged to operating expenses	**0**	0	0
Impairments charged to revaluation reserve	**0**	0	0
Reversal of impairments	**0**	0	0
Reclassifications	**(403)**	0	2,599
Revaluation surpluses	**3,300**	0	3,300
Disposals	**(1,643)**	0	0
Cost or valuation at 31 March 2015	**338,815**	26,447	194,929
Accumulated depreciation at 1 April 2014	**80,480**		10,814
Provided during the year	**17,404**		10,995
Impairments recognised in operating expenses	**0**		0
Reversal of impairments	**0**		0
Reclassifications	**(10)**		0
Revaluation surpluses	**0**		0
Disposals	**(1,448)**		0
Accumulated depreciation at 31 March 2015	**96,426**	0	21,809
Net book value			
NBV - Owned at 1 April 2014	**221,665**	26,447	158,674
NBV - Finance lease & PFI Assets at 1 April 2014	**14,144**	0	14,144
NBV - Donated at 1 April 2014	**2,442**	0	2,442
NBV total at 1 April 2014	**238,251**	26,447	175,260
Net book value			
NBV - Owned at 31 March 2015	**227,146**	26,447	157,877
NBV - Finance lease & PFI Assets at 31 March 2015	**14,098**	0	14,098
NBV - Donated at 31 March 2015	**1,145**	0	1,145
NBV total at 31 March 2015	**242,389**	26,447	173,120

Note 10.2 Additional Analysis of asset ownership

	Total	Land	Buildings excluding dwellings
At 31 March 2015	£000	£000	£000
Freehold	**228,237**	26,447	158,968
Long Leasehold	**4,144**	0	4,144
Short Leasehold	**10,008**	0	10,008
NBV total at 31 March 2015	**242,389**	26,447	173,120

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).

Group/Foundation Trust					
Dwellings	Assets under Construction & POA	Plant & Machinery	Transport Equipment	Information Technology	Furniture & Fittings
£000	£000	£000	£000	£000	£000
1,366	4,647	69,458	704	23,280	6,755
0	7,740	5,775	0	1,889	24
0	0	0	0	0	0
0	0	446	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	(2,472)	(69)	0	(421)	(40)
0	0	0	0	0	0
0	0	(1,637)	0	0	(6)
1,366	9,915	73,973	704	24,748	6,733
209		44,377	640	18,165	6,275
57		4,478	35	1,719	120
0		0	0	0	0
0		0	0	0	0
0		40	0	(10)	(40)
0		0	0	0	0
0		(1,442)	0	0	(6)
266	0	47,453	675	19,874	6,349
1,157	4,647	25,081	64	5,115	480
0	0	0	0	0	0
0	0	0	0	0	0
1,157	4,647	25,081	64	5,115	480
1,100	9,915	26,520	29	4,874	384
0	0	0	0	0	0
0	0	0	0	0	0
1,100	9,915	26,520	29	4,874	384

Group/Foundation Trust					
Dwellings	Assets under Construction & POA	Plant & Machinery	Transport Equipment	Information Technology	Furniture & Fittings
£000	£000	£000	£000	£000	£000
1,100	9,915	26,520	29	4,874	384
0	0	0	0	0	0
0	0	0	0	0	0
1,100	9,915	26,520	29	4,874	384

NOTES TO THE ACCOUNTS

Note 10.3 Property, plant and equipment 2013-14

	Total	Land	Buildings excluding dwellings
	£000	£000	£000
Cost or valuation at 1 April 2013	**318,389**	26,447	171,828
Additions - purchased	**25,280**	0	1,275
Additions - leased	**0**	0	0
Additions - donated	**701**	0	134
Transfers by Modified absorption	**645**	0	0
Impairments charged to operating expenses	**(4,759)**	0	(4,759)
Impairments charged to revaluation reserve	**(1,066)**	0	(1,066)
Reversal of impairments	**431**	0	431
Reclassifications	**(5,654)**	0	18,231
Revaluation surpluses	**0**	0	0
Disposals	**(15,236)**	0	0
Cost or valuation at 31 March 2014	**318,731**	26,447	186,074
Accumulated depreciation at 1 April 2013	**82,590**		401
Provided during the year	**17,398**		10,938
Impairments recognised in operating expenses	**0**		0
Reversal of impairments	**(201)**		(201)
Reclassifications	**(4,102)**		(324)
Revaluation surpluses	**0**		0
Disposals	**(15,205)**		0
Accumulated depreciation at 31 March 2014	**80,480**	0	10,814
Net book value			
NBV - Owned at 1 April 2013	**222,505**	26,447	158,883
NBV - Finance lease & PFI Assets at 1 April 2013	**8,453**	0	8,453
NBV - Donated at 1 April 2013	**4,841**	0	4,095
NBV total at 1 April 2013	**235,799**	26,447	171,427
Net book value			
NBV - Owned at 31 March 2014	**221,665**	26,447	158,674
NBV - Finance lease & PFI Assets at 31 March 2014	**14,144**	0	14,144
NBV - Donated at 31 March 2014	**2,442**	0	2,442
NBV total at 31 March 2014	**238,251**	26,447	175,260

Note 10.4 Additional Analysis of asset ownership

	Total	Land	Buildings excluding dwellings
At 31 March 2014	£000	£000	£000
Freehold	**224,107**	26,447	161,116
Long Leasehold	**4,129**	0	4,129
Short Leasehold	**10,015**	0	10,015
NBV total at 31 March 2014	**238,251**	26,447	175,260

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).

Group/Foundation Trust					
Dwellings	Assets under Construction & POA	Plant & Machinery	Transport Equipment	Information Technology	Furniture & Fittings
£000	£000	£000	£000	£000	£000
1,749	8,902	64,354	735	33,591	10,783
32	14,337	6,998	0	2,466	172
0	0	0	0	0	0
0	0	526	0	6	35
0	0	455	0	177	13
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
(415)	(18,592)	726	1	(4,723)	(882)
0	0	0	0	0	0
0	0	(3,601)	(32)	(8,237)	(3,366)
1,366	4,647	69,458	704	23,280	6,755
414		42,930	629	27,819	10,397
209		4,126	43	1,926	156
0		0	0	0	0
0		0	0	0	0
(414)		891	0	(3,343)	(912)
0		0	0	0	0
0		(3,570)	(32)	(8,237)	(3,366)
209	0	44,377	640	18,165	6,275
1,335	8,902	20,696	106	5,763	373
0	0	0	0	0	0
0	0	724	0	9	13
1,335	8,902	21,424	106	5,772	386
1,157	4,647	25,081	64	5,115	480
0	0	0	0	0	0
0	0	0	0	0	0
1,157	4,647	25,081	64	5,115	480

TRUST/Foundation Trust					
Dwellings	Assets under Construction & POA	Plant & Machinery	Transport Equipment	Information Technology	Furniture & Fittings
£000	£000	£000	£000	£000	£000
1,157	4,647	25,081	64	5,115	480
0	0	0	0	0	0
0	0	0	0	0	0
1,157	4,647	25,081	64	5,115	480

NOTES TO THE ACCOUNTS

Note 10.5 Property Plant Equipment revaluations in 2014-15

The trust's revaluation policy requires a full revaluation every five years, last completed 2012-13, with an interim valuation required in-between. The trust intends to perform the interim revaluation as at the 31 March 2016. For the 2014-15 year the trust has used the most recently available indices and information about on-going build projects to make an assessment that in the year there has been a £3,300k increase in the value of buildings and this has been shown as an increase in the revaluation reserve.

Note 10.6 Leased Assets to Other Organisations

The carrying amount of the assets leased to other organisations as at 31 March 2015 is £158k (£168k restated for 2013-14). The depreciation charged during 2014-15 was £10k (£10k restated for 2013-14).

Note 11.1 Assets held under finance leases and PFI arrangements 2014-15

	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 2014	**14,360**	**9,776**	**4,584**
Additions - purchased	**0**	0	0
Reclassifications	**169**	169	0
Impairments charged to revaluation reserve	**0**	0	0
Impairments charged to SOCI	**0**	0	0
Revaluation surpluses	**0**	0	0
Disposals	**0**	0	0
Cost or valuation at 31 March 2015	**14,529**	**9,945**	**4,584**
Accumulated depreciation at 1 April 2014	**216**	**6**	**210**
Provided during the year	**215**	6	209
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 2015	**431**	**12**	**419**
Net book value			
NBV - Purchased at 1 April 2014	**14,144**	9,770	4,374
NBV - Donated at 1 April 2014	**0**	0	0
NBV total at 1 April 2014	**14,144**	**9,770**	**4,374**
Net book value			
NBV - Purchased at 31 March 2015	**14,098**	9,933	4,165
NBV - Donated at 31 March 2015	**0**	0	0
NBV total at 31 March 2015	**14,098**	**9,933**	**4,165**

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 2015 is £3,856k (31 March 2014 £4,049k).

(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 2015 is £309k (31 March 2014 £325k).

NOTES TO THE ACCOUNTS

Note 11.2 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	0
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).

NOTES TO THE ACCOUNTS

Note 12.1 Investments 2014-15

	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
	2014/15	2014/15	2014/15	2014/15	2014/15	2014/15
	£000	£000	£000	£000	£000	£000
Carrying value at 01 April 2014	**0**	**0**	**7,613**	**0**	**0**	**0**
Acquisitions in year - subsequent expenditure	0		0	0		0
Acquisitions in year - other	0	0	10	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			473			0
Impairments		0			0	
Reversal of impairment		0			0	
Disposals	0	0	0	0	0	0
Other equity movements		0			0	
Carrying value at 31 March 2015	**0**	**0**	**8,096**	**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 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	2013/14	2013/14	2013/14	2013/14	2013/14
	£000	£000	£000	£000	£000	£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**

The investments in this note relate to the charity only. The trust has no investments.

NOTES TO THE ACCOUNTS

Note 13.1 Inventories

	Group/Foundation Trust	
	31 Mar 15	31 Mar 14
	£000	£000
Drugs	2,878	2,312
Work in progress	54	65
Consumables	5,387	5,385
Energy	172	235
Other	0	0
TOTAL	**8,491**	**7,997**

Note 13.2 Analysis of inventories

	Group/Foundation Trust	
	31 Mar 15	31 Mar 14
	£000	£000
Opening carrying value	7,997	7,738
Add: Additions	123,277	115,708
Less: Inventories recognised in expenses	(122,680)	(115,352)
Less: Write-down of inventories recognised as an expense	(103)	(97)
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	**8,491**	**7,997**

The figures above represent the position of the group and the foundation trust as the charity has no inventories (See Note 2).

NOTES TO THE ACCOUNTS

Note 14.1 Trade and other receivables

	Group		Foundation Trust	
	31 Mar 2015 £000	31 Mar 2014 £000	31 Mar 2015 £000	31 Mar 2014 £000
Current				
NHS Receivables -Revenue	23,657	21,541	23,657	21,541
NHS Receivables -Capital	0	0	0	0
Receivables due from NHS charities -Revenue	0	0	0	0
Other receivables with related parties -Revenue	1,594	1,447	1,594	1,447
Other receivables with related parties -Capital	0	0	0	0
Provision for impaired receivables	(8,396)	(9,802)	(8,396)	(9,802)
Prepayments	5,826	6,206	5,826	6,206
Accrued income	871	623	871	623
Interest receivable	24	119	6	119
PDC dividend receivable	244	1,049	244	1,049
VAT receivable	1,664	1,597	1,664	1,597
Other receivables -Revenue	5,937	6,567	6,115	7,111
Other receivables -Capital	298	0	298	0
TOTAL	**31,719**	**29,347**	**31,879**	**29,891**
Non-Current				
NHS Receivables -Revenue	0	0	0	0
NHS Receivables -Capital	0	0	0	0
Other receivables with related parties -Revenue	2,592	2,771	2,592	2,771
Provision for impaired receivables	(1,461)	(1,711)	(1,461)	(1,711)
Prepayments	0	0	0	0
Accrued income	0	0	0	0
Other receivables -Revenue	0	0	0	0
TOTAL	**1,131**	**1,060**	**1,131**	**1,060**

Note 14.2 Provision for impairment of receivables

	Group		Foundation Trust	
	2014/15 £000	2013/14 £000	2014/15 £000	2013/14 £000
As at 1 April	11,513	11,187	11,513	11,187
Increase in provision	(29)	2,291	(29)	2,291
Amounts utilised	(1,627)	(1,965)	(1,627)	(1,965)
Unused amounts reversed	0	0	0	0
At 31 March	**9,857**	**11,513**	**9,857**	**11,513**

There is no provision for impairment of receivables within the charity's accounts.

Note 14.3 Analysis of impaired receivables

	Group		Foundation Trust	
	31 Mar 2015 £000	31 Mar 2014 £000	31 Mar 2015 £000	31 Mar 2014 £000
Ageing of impaired receivables				
0-30 days	2,217	3,392	2,217	3,392
30-60 Days	345	627	345	627
60-90 days	374	601	374	601
90-180 days	853	1,353	853	1,353
Over 180 days	6,068	5,540	6,068	5,540
TOTAL	**9,857**	**11,513**	**9,857**	**11,513**
Ageing of non-impaired receivables past their due date				
0-30 days	0	0	0	0
30-60 Days	587	742	587	742
60-90 days	983	229	983	229
90-180 days	2,059	1,941	2,059	1,941
Over 180 days	2,982	1,491	2,982	1,491
TOTAL	**6,611**	**4,403**	**6,611**	**4,403**

NOTES TO THE ACCOUNTS

Note 15 Trade and other payables

	Group		Foundation Trust	
	31 Mar 2015	31 Mar 2014	31 Mar 2015	31 Mar 2014
	£000	£000	£000	£000
Current				
Receipts in advance	0	0	0	0
NHS payables -Revenue	576	340	576	340
NHS payables -Capital	0	0	0	0
Amounts due to other related parties -Revenue	0	0	0	0
Amounts due to other related parties -Capital	0	0	0	0
Trade payables -Revenue	6,058	3,513	5,988	3,476
Trade payables -Capital	5,684	4,136	5,684	4,136
Social Security costs	3,866	70	3,866	70
PDC dividend payable	0	0	0	0
Other taxes payable	4,069	71	4,069	71
Other payables	6,567	1,697	6,567	1,697
Accruals	46,758	47,631	46,758	47,631
TOTAL	**73,578**	**57,458**	**73,508**	**57,421**

Note 16 Other liabilities

	Group		Foundation Trust	
	31 Mar 2015	31 Mar 2014	31 Mar 2015	31 Mar 2014
	£000	£000	£000	£000
Current				
Deferred Income	6,501	6,605	6,501	6,605
Deferred PFI credits	0	0	0	0
TOTAL	**6,501**	**6,605**	**6,501**	**6,605**

There are no non-current other liabilities in 2014-15 (or 2013-14).
There are no Other liabilities in the charity's accounts.

NOTES TO THE ACCOUNTS

Note 17 Borrowings

	Group/Foundation Trust	
	31 Mar 2015	31 Mar 2014
	£000	£000
Current		
Bank overdrafts	0	0
Drawdown in committed facility	0	0
Loans from Foundation Trust Financing Facility	0	0
Other Loans	0	0
Obligations under finance leases	256	256
Obligations under Private Finance Initiative contracts	224	224
TOTAL	**480**	**480**
Non-current		
Bank overdrafts	0	0
Drawdown in committed facility	0	0
Loans from Foundation Trust Financing Facility	0	0
Other Loans	0	0
Obligations under finance leases	1,609	1,746
Obligations under Private Finance Initiative contracts	2,377	2,574
TOTAL	**3,986**	**4,320**

The figures above represent the position of the group and the foundation trust as the charity has no borrowings. (See Note 2).

NOTES TO THE ACCOUNTS

Note 18 Finance lease obligations

	Group/Foundation Trust	
	Minimum Lease Payments 31 Mar 2015 £000	Minimum Lease Payments 31 Mar 2014 £000
Gross lease liabilities	**2,532**	**2,797**
of which liabilities are due		
not later than one year;	**257**	257
later than one year and not later than five years;	**971**	1,027
later than five years.	**1,304**	1,513
Finance charges allocated to future periods	**(667)**	(795)
Net lease liabilities	**1,865**	**2,002**
not later than one year;	**256**	256
later than one year and not later than five years;	**628**	634
later than five years.	**981**	1,112
	1,865	**2,002**

	Present Value of Minimum Lease Payments 31 Mar 2015 £000	Present Value of Minimum Lease Payments 31 Mar 2014 £000
Gross lease liabilities	**1,670**	**1,911**
of which liabilities are due		
not later than one year;	226	241
later than one year and not later than five years;	731	827
later than five years.	713	843
Finance charges allocated to future periods	**(551)**	**(679)**
Net lease liabilities	**1,119**	**1,232**
not later than one year;	117	113
later than one year and not later than five years;	448	484
later than five years.	554	635
	1,119	**1,232**

The figures above represent the position of the group and the foundation trust as the charity has no finance leases. (See Note 2).

NOTES TO THE ACCOUNTS

Note 19.1 PFI obligations (on SoFP)

	Group/Foundation Trust	
	31 Mar 2015	31 Mar 2014
	£000	£000
Gross PFI liabilities	**3,659**	**3,990**
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.	2,539	2,870
Finance charges allocated to future periods	(1,058)	(1,192)
Net PFI liabilities	**2,601**	**2,798**
not later than one year;	224	224
later than one year and not later than five years;	425	425
later than five years.	1,952	2,149
	2,601	**2,798**

The figures above represent the position of the group and the foundation trust as the charity has no PFI obligations (See Note 2).

Note 19.2 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 2015	31 Mar 2015	31 Mar 2015	31 Mar 2014
	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)	**904**	0	904	908
11th to 15th years (inclusive)	**63**	63	0	67
16th to 20th years (inclusive)	**0**	0	0	0
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

Note 19.3 On-SoFP PFI Service Charge Commitments

	Group/Foundation Trust			
	31 Mar 2015	31 Mar 2015	31 Mar 2015	31 Mar 2014
	Total	PFI 1	PFI 2	Total
	£000	£000	£000	£000
Within one year	**967**	63	904	975
2nd to 5th years (inclusive)	**3,868**	250	3,618	3,898
Later than five years	**2,838**	652	2,186	3,865
Total	**7,673**	**965**	**6,708**	**8,738**

NOTES TO THE ACCOUNTS

Note 19.4 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 £63k (PFI1) and £904k (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 2014-15 was £967k (2013-14 £975k).

NOTES TO THE ACCOUNTS

Note 20 Provisions for liabilities and charges

	Group/Foundation Trust		Group/Foundation Trust	
	Current	Current	Non-current	Non-current
	31 Mar 2015	31 Mar 2014	31 Mar 2015	31 Mar 2014
	£000	£000	£000	£000
Pensions relating to former directors	0	0	0	0
Pensions relating to other staff	200	196	2,646	2,704
Other legal claims	448	425	0	0
Agenda for Change	236	313	0	0
Redundancy	229	2,837	0	0
Kennedy Review	3,287	4,975	0	0
Other	4,348	4,017	4,102	5,200
TOTAL	**8,748**	**12,763**	**6,748**	**7,904**

	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 2014	**20,667**	2,900	425	313	4,975	2,837	9,217
Change in the discount rate	**19**	19	0	0	0	0	0
Arising during the year	**3,877**	126	308	236	496	229	2,482
Utilised during the year	**(2,991)**	(196)	(214)	0	(796)	(190)	(1,595)
Reversed unused	**(6,079)**	(6)	(71)	(313)	(1,388)	(2,647)	(1,654)
Unwinding of discount	**3**	3	0	0	0	0	0
At 31 March 2015	**15,496**	**2,846**	**448**	**236**	**3,287**	**229**	**8,450**
Expected timing of cash flows:							
not later than one year;	**8,748**	200	448	236	3,287	229	4,348
later than one year and not later than five years;	**4,925**	823	0	0	0	0	4,102
later than five years.	**1,823**	1,823	0	0	0	0	0
TOTAL	**15,496**	**2,846**	**448**	**236**	**3,287**	**229**	**8,450**

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).

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. 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 1.3% (2013-14 1.8%).

'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 2015/16 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.

NOTES TO THE ACCOUNTS

Note 21 Revaluation reserve

	Group/Foundation Trust
	Revaluation Reserve -property, plant and equipment
	£000
Revaluation reserve at 1 April 2014	**46,719**
Impairments	0
Revaluations	3,300
Transfers to other reserves	(2,312)
Other recognised gains and losses	0
Other reserve movements	0
Revaluation reserve at 31 March 2015	**47,707**
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**

The figures above represent the position of the group and the foundation trust as the charity has nor 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.

For the 2014-15 year the trust has used the most recently available indices and information about ongoing build projects to make a revaluation assessment in the year.

In 2013-14 the trust performed a revaluation exercise for a number of building assets which resulted in a net charge of £434k to the revaluation reserve.

Note 22.1 Cash and cash equivalents

	Group		Foundation Trust	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	£000	£000	£000	£000
At 1 April (as previously stated)	87,971	95,228	86,699	93,665
Net change in year	270	(7,257)	972	(6,966)
At 31 March	**88,241**	**87,971**	**87,671**	**86,699**
Broken down into:				
Cash at commercial banks and in hand	604	1,292	34	20
Cash with the Government Banking Service	87,637	11,679	87,637	11,679
Other current investments	0	75,000	0	75,000
Cash and cash equivalents as in SoFP	**88,241**	**87,971**	**87,671**	**86,699**
Bank overdrafts	0	0	0	0
Cash and cash equivalents as in SoCF	**88,241**	**87,971**	**87,671**	**86,699**

The charity's cash is held in an RBS current account.

NOTES TO THE ACCOUNTS

Note 22.2 Third party assets held by the NHS foundation trust

The trust held £20k (£15k 31 March 2014) of cash at bank and in hand at 31 March 2015 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 2015 or at 31 March 2014.

Note 23 Contractual capital commitments

Commitments under contracts at the statement of financial position date were:

	Group/Foundation Trust	
	31 March 2015	31 March 2014
	£000	£000
Property, plant and equipment	12,448	5,041
Intangible assets	937	726
TOTAL	**13,385**	**5,767**

The majority of these commitments at 31 March 2015 and 31 March 2014 relate to site strategy developments. The charity has no contractual capital commitments.

Note 24 Events after the reporting year

There have been no events after the reporting year.

Note 25 Contingent assets/liabilities

	Group/Foundation Trust	
	31 March 2015	31 March 2014
	£000	£000
Gross value of contingent liabilities	(227)	(162)
Amounts recoverable against liabilities	0	0
Net value of contingent liabilities	**(227)**	**(162)**
Net value of contingent assets	0	0

The contingent liabilites in 2014-15 (and 2013-14) 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.

NOTES TO THE ACCOUNTS

Note 26.1 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). Darren Cattell, Interim Director of Finance 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 31 March 2015 >£5m £000	Income 31 March 2014 >£5m £000
Birmingham and the Black Country Area Team	120,385	112,570
Birmingham City Council	6,610	7,084
Health Education England	22,805	23,070
NHS Birmingham Crosscity CCG	234,130	231,491
NHS Birmingham South And Central CCG	14,082	14,696
NHS Sandwell And West Birmingham CCG	8,047	8,005
NHS Solihull CCG	136,091	134,626
NHS South East Staffs And Seisdon Peninsular CCG	38,505	33,483
NHS Walsall CCG	5,919	6,190
NHS Warwickshire North CCG	6,498	6,323
TOTAL	**593,072**	**577,538**

	Group/Foundation Trust	
	Expenditure 31 March 2015 >£5m 550	Expenditure 31 March 2014 >£5m £000
HM Revenue & Customs	25,399	24,248
NHS Litigation Authority	13,220	12,185
NHS Pension Scheme	37,313	36,503
Public Health England	5,921	6,097
TOTAL	**81,853**	**79,033**

NOTES TO THE ACCOUNTS

Note 26.2 Related party balances

All significant related party balances are in relation to the primary activities of the trust ie 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 31 March 2015 >£0.5m £000	Receivables 31 March 2014 >£0.5m £000
Birmingham and the Black Country Area Team	5,289	4,280
Birmingham Women's NHS Foundation Trust	672	475
Burton Hospitals NHS Foundation Trust	2,074	1,354
Sandwell and West Birmingham Hospitals NHS Trust	763	309
Public Health England	527	329
Department of Works & Pensions	1,565	1,614
HM Revenue & Customs	1,664	1,597
Leicestershire and Lincolnshire Area Team	864	611
NHS Birmingham Crosscity CCG	4,094	4,103
NHS Solihull CCG	3,609	3,038
NHS South East Staffs And Seisdon Peninsular CCG	573	799
University Hospital Birmingham NHS FT	834	1,287
TOTAL	**22,528**	**19,796**

	Group/Foundation Trust	
	Payables 31 March 2015 >£0.5m £000	Payables 31 March 2014 >£0.5m £000
Birmingham and Solihull Mental Health NHS Foundation Trust	642	182
Birmingham Women's NHS Foundation Trust	1,192	385
HM Revenue & Customs	7,935	70
NHS Blood & Transplant	633	130
NHS Pension Scheme	5,152	53
NHS Property Services	550	2,944
Northumbria Healthcare NHS Foundation Trust	541	222
Public Health England	1,595	32
Sandwell and West Birmingham Hospitals NHS Trust	703	325
West Midlands Ambulance Service NHS Foundation Trust	636	0
TOTAL	**19,579**	**4,343**

NOTES TO THE ACCOUNTS

Note 26.3 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 voting directors, both executive and non-executive. It also includes the compensation to executive directors who are not Board members. The compensation paid or payable in aggregate to key management for employment services is shown below:

	Group/Foundation Trust	
	2014/15	2013/14
	£'000	£'000
Short term employee benefits	**2,646**	2,075
Pension contributions	**181**	227
Other long term benefits	**0**	0
Post employment benefits	**0**	0
Termination benefits	**0**	0
Total	**2,827**	**2,302**

There were no amounts owing to key management personnel at the beginning or end of the financial year.

Note 27 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 £781k was paid in 2014-15. 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 2015	31 Mar 2014
	Total	Total
	£000	£000
Within one year	801	781
2nd to 5th years (inclusive)	3,450	3,366
Later than five years	4,927	5,857
Total	**9,178**	**10,004**

NOTES TO THE ACCOUNTS

Note 28.1 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 CCGs has re-emerged as a theme, the trust regularly reviews the level of actual and contracted activity with the CCGs 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 assesses market risk in association with it's 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. Since the change in PDC rules the trust has not invested with banks and financial institutions. The trust places money instead on the HM Treasury National Loans Fund and these investments are reported to the monthly finance and performance committee. The trust's net operating costs are incurred largely under annual service agreements with local CCGs, who 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.

NOTES TO THE ACCOUNTS

Note 28.2 Financial assets by category

	Group			Foundation Trust		
	Total	Loans and receivables	Available-for-sale	Total	Loans and receivables	Available-for-sale
	£000	£000	£000	£000	£000	£000
Assets as per SoFP						
Trade and other receivables excluding non financial assets	**25,045**	25,045	0	**25,008**	25,008	0
Other Investments	**8,096**	0	8,096	**0**	0	0
Other Financial Assets	**0**	0	0	**0**	0	0
Cash and cash equivalents (at bank and in hand)	**88,241**	88,241	0	**87,671**	87,671	0
Total at 31 March 2015	**121,382**	**113,286**	**8,096**	**112,679**	**112,679**	**0**
Trade and other receivables excluding non financial assets	**21,964**	21,964	0	**21,932**	21,932	0
Other Investments	**7,613**	0	7,613	**0**	0	0
Other Financial Assets	**0**	0	0	**0**	0	0
Cash and cash equivalents (at bank and in hand)	**87,971**	87,971	0	**86,699**	86,699	0
Total at 31 March 2014	**117,548**	**109,935**	**7,613**	**108,631**	**108,631**	**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 28.3 Financial liabilities by category

	Group			Foundation Trust		
	Total	Other financial liabilities	Liabilities at fair value through I&E	Total	Other financial liabilities	Liabilities at fair value through I&E
	£000	£000	£000	£000	£000	£000
Liabilities as per SoFP						
Borrowings excluding Finance lease and PFI liabilities	**0**	0	0	**0**	0	0
Obligations under finance leases	**1,865**	1,865	0	**1,865**	1,865	0
Obligations under Private Finance Initiative contracts	**2,601**	2,601	0	**2,601**	2,601	0
Trade and other payables excluding non financial assets	**73,576**	73,576	0	**73,506**	73,506	0
Other financial liabilities	**0**	0	0	**0**	0	0
Provisions under contract	**12,649**	12,649	0	**12,649**	12,649	0
Total at 31 March 2015	**90,691**	**90,691**	**0**	**90,621**	**90,621**	**0**
Borrowings excluding Finance lease and PFI liabilities	**0**	0	0	**0**	0	0
Obligations under finance leases	**2,002**	2,002	0	**2,002**	2,002	0
Obligations under Private Finance Initiative contracts	**2,798**	2,798	0	**2,798**	2,798	0
Trade and other payables excluding non financial assets	**57,458**	57,458	0	**57,421**	57,421	0
Other financial liabilities	**0**	0	0	**0**	0	0
Provisions under contract	**17,767**	17,767	0	**17,767**	17,767	0
Total at 31 March 2014	**80,025**	**80,025**	**0**	**79,988**	**79,988**	**0**

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: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