

The Dudley Group  
NHS Foundation Trust

# Annual Report & Accounts 2018/19



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# **The Dudley Group NHS Foundation Trust**

## **Annual Report and Accounts 2018/19**

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



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# Performance Report



# Performance report

## About The Dudley Group

We are the main provider of hospital and adult community services to the population of Dudley, parts of the Sandwell Borough and smaller but growing communities in South Staffordshire and Wyre Forest. Achieving Foundation Trust status in 2008, we provide a wide range of medical, surgical and rehabilitation services to a population of over 450,000 people from three hospital sites at Russells Hall Hospital, Guest Outpatient Centre in Dudley and Corbett Outpatient Centre in Stourbridge.

We also provide a range of specialist services, some of which are accessed by patients from across the UK. These include vascular surgery, endoscopic procedures, stem cell transplants and specialist genitourinary reconstruction. We have a workforce of around 4,400 whole time equivalent staff making us the second largest employer in the Dudley Borough. Our staff are our greatest asset and we provide a range of secondary and tertiary services including:

- Adult community services including community nursing, end of life care, podiatry, therapies and outpatient services from a range of community venues across the borough.
- Russells Hall Hospital in Dudley, which has more than 650 beds, including intensive care beds and neonatal cots, provides secondary and tertiary services such as maternity, critical care and outpatients, and an Emergency Department that features a brand new Emergency Treatment Centre.
- The Guest Outpatient Centre in Dudley and Corbett Outpatient Centre in Stourbridge provide a range of outpatient and day case services.

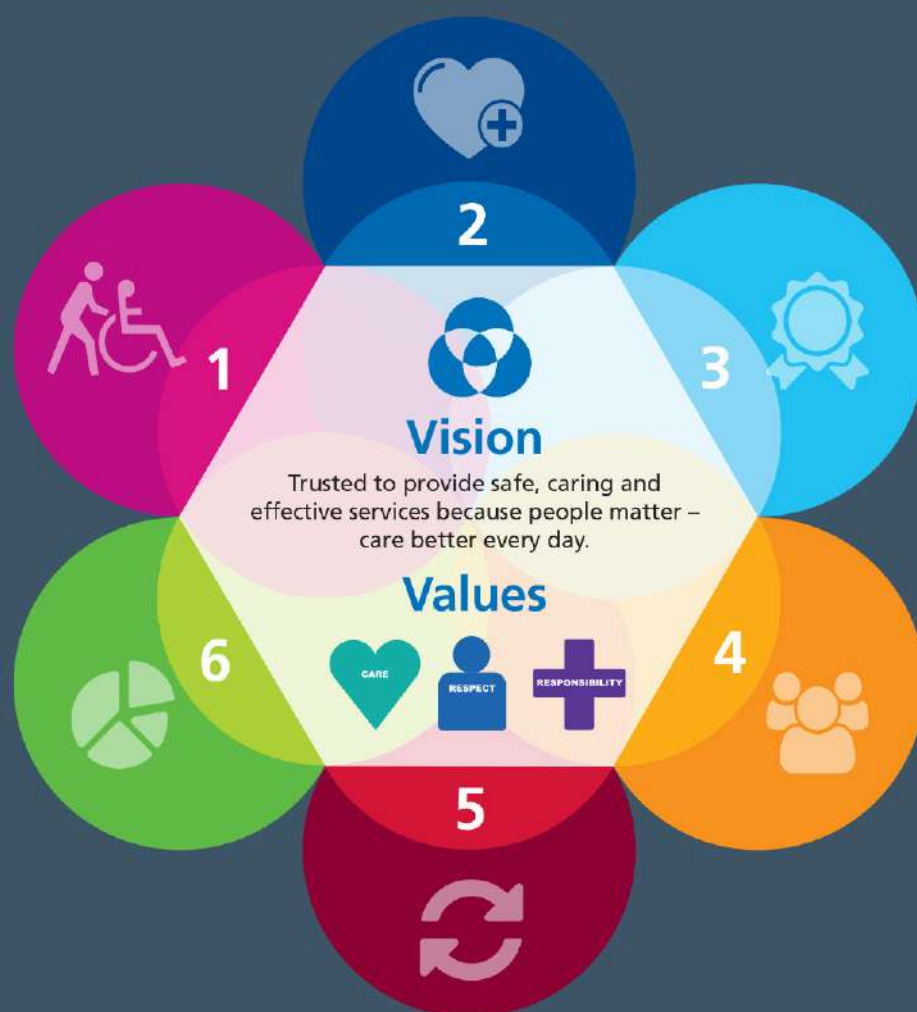
We are also proud to be the vascular services hub for the Black Country and have an active research and development team.

Our vision is to be a healthcare provider that is trusted to provide safe, caring and effective services because people matter. Each year, we produce an annual plan through our divisional planning processes to demonstrate how we are working towards delivery of our strategy. Here you will find a summary of our vision, values and strategic objectives.



Our vision is to be a healthcare provider that is trusted to provide safe, caring and effective services because people matter

# Foundation Trust Strategy 2019-2021



## Key Measures



Patient Experience Strategy (2018-2019)

Information Governance Strategy (2017-2019)

Quality Improvement Strategy (2017 – 2019)  
Patient Safety Strategy (2019 - 2022)

Nursing & Midwifery Strategy (2017-2020)  
Clinical Strategy (2017-2021)  
Nutrition Strategy (2016-2019)  
Learning Disability Strategy (2015-2018)  
Risk Management Strategy (2018-2020)  
End of Life & Palliative Care Strategy (2017-2020)  
Cancer Strategy (2018-2021)

Workforce Strategy (2015-2020)

Health and Wellbeing Strategy (2014-2017)

Estates Strategy (2018-2020)

Research & Development Strategy (2018-2021)  
Digital Strategy (2016-2019)



# Strategic Objectives

1

## DELIVER A GREAT PATIENT EXPERIENCE

Review the mechanisms for patient engagement  
Improve the way we communicate with patients, their GPs and between different services within our Trust

Integrate pathways within & between services to optimise efficiency & productivity  
Meet national access standards

Improve the environment in which care is delivered

2

## DELIVER SAFE AND CARING SERVICES

Secure improvements required for Emergency Care  
Improve core services that have been rated by CQC as requires improvement so that they are good, and services that are rated as good to outstanding.  
Improve learning and feedback mechanisms to enhance quality of care

Strengthen clinical and management decision making to improve the quality of care  
Develop mechanisms for staff to be better engaged in reporting of and learning from incidents and serious incidents

Implement revised clinical standards agreed as result of the national Clinical Standard Review  
Improve care for patients with major health conditions  
Deliver improvements in maternity care

3

## DRIVE SERVICE IMPROVEMENT, INNOVATION AND TRANSFORMATION

Review the mechanisms for patient engagement  
Improve the way we communicate with patients, their GPs and between different services within our Trust

Integrate pathways within & between services to optimise efficiency & productivity

Meet national access standards  
Improve the environment in which care is delivered

4

## BE THE PLACE PEOPLE CHOOSE TO WORK

Provide effective recruitment and development of staff in order to deliver a sustainable workforce that meets out clinical needs  
Develop a locally-sourced nursing workforce using the apprenticeship levy alongside a Nurse Degree

Programme and a Nursing Associate model  
Enhance the levels of engagement and inclusive decision making ensuring clinical priorities are at the heart of the decision making process

Enhance the experience of staff working at the Trust with the same commitment that we would expect when focusing on the patient experience  
Enhance the support associated with the health and wellbeing of our staff

5

## MAKE THE BEST USE OF WHAT WE HAVE

Maximise the opportunities presented by the new national NHS financial framework  
Drive efficiency and productivity through the proactive use of benchmarking data

Strengthen financial discipline and financial management  
Set and deliver our cost improvement programme  
Work with partners to reduce demand for hospital services by implementing

initiatives to support prevention and early identification of health conditions  
Ensure services meet demand through implementation of demand and capacity models

6

## DELIVER A VIABLE FUTURE

Implement STP work streams in collaboration with our Black Country Partners  
Develop specialist services in Urology, Gastroenterology and Plastic Surgery  
Increase the Trust's market

share and commercial opportunities by developing opportunities for business sustainability and growth  
Maximise innovation and research  
Develop our infrastructure

to support future models of working  
Further develop our approach to environmental sustainability

# Welcome from our chairperson and chief executive

Welcome to our Annual Report and Accounts for 2018/19. Our staff continue to do a fantastic job under increasing pressure - seeing more patients than ever. They are of course supported by our volunteers who go above and beyond to give their time freely in support of staff providing a good patient experience.

We have invested in our teams increasing staffing budgets to support our staff to provide the best care possible.

We continue to perform well against the majority of national standards and are particularly proud of our referral to treatment times that mean Dudley patients are seen and treated for planned procedures within some of the shortest times in the country. We are routinely in the top ten trusts nationally for the 18 weeks from referral to treatment time.

Our urgent and emergency services have continued to see unprecedented demand. We have seen a 7.6 per cent increase in people attending our Emergency Department over the last five years, within this a 26 per cent increase in patients over 85, with a 12.3 per cent increase in patients classified as 'major'. These patients are more poorly and therefore require more intensive treatment from all of our services.

Teams across the Trust have continued to redesign and develop services to adapt to increasing demand and offer our patients the best services. Innovative developments this year include:

- Cardiac Assessment Unit – pulls patients with chest pain or query heart conditions straight from ED into specialist unit.
- Gastroenterology team provides world class procedures for Zenker's Diverticulum and GerdX procedure for treatment of acid reflux, gaining international recognition in Japan.

- Urgent and emergency teams have continued to adapt, moving our children's ED to a much larger, brighter environment.
- Rapid assessment bays have been introduced in our acute medical area to support more streamlined assessment.
- A new frailty assessment unit supports those with complex frailty conditions.

You can read more highlights of the year and innovation on pages 13 to 18.

All innovations ensure our patients receive the right care from the right person at the right time.

We are of course thrilled that we were chosen to receive £20.3m to redesign our whole Emergency Department which will help us improve patients' experiences of emergency care. Work is underway on plans and we will be getting started with works during 2020.



### Care Quality Commission (CQC)

In April 2018, the CQC published its report and rated the Trust as overall requiring improvement with our Community Services being rated good.

The CQC continued their inspection of our services throughout 2018 and into 2019 with unannounced visits to our Emergency Department to check on the progress of quality improvements required from the section 31s served on the department. We know there is still more work to do in ED and our teams continue to work hard to provide the best care possible. We are proud of the depth of information we now have about our improved areas. We monitor daily and weekly to ensure patients are safe.

The CQC also inspected the rest of the Trust services; end of life, diagnostics, critical care, maternity, children's, surgery and outpatients and at the time of printing we are awaiting our report and ratings for those services.

We have welcomed the CQC and their feedback on all of our services and we are passionate about improving our ratings across our services. In ED we have to continue to deliver and sustain the improvements. We are determined to have the safest services possible for our patients and to help support our teams to make quality improvements. You can find out more about our CQC ratings on page 74 of the Annual Governance Statement.

### Dudley Improvement Practice

In July 2018 we started a journey of building a culture of continuous improvement by joining the Improvement Practice programme. Dudley was one of just seven trusts selected by NHS Improvement to be involved in the co-design and co-production of a programme that will be deployed nationally over the coming years.

The Improvement Practice builds on many years of learning from continuous quality improvement initiatives undertaken by NHS trusts, NHS Improvement and NHS England as well as taking input from the CQC. It focuses on supporting staff as the experts in their own area of work – to implement their ideas for improving the Trust services and increasing value to our patients and the Dudley population.

Each year's plan will be defined at a Value Stream Analysis event, followed by monthly practice events in which staff will make improvements in their own specific service areas.

Services being supported in the first year are end of life care, some of our community services, ophthalmology, outpatients and emergency surgery. Our executive team are showing their commitment to the programme by undertaking training and applying it to their own improvement projects in order to better understand, support and coach staff engaging in improvement activity across the Trust.

Details of the major risks faced by the Trust can be found in the Annual Governance Statement.





## Changes to the Board of Directors

There have been several changes at board level in 2018/19. We said goodbye to chief nurse Siobhan Jordan and welcomed interim chief nurse Mary Sexton, in January 2019, Mark Stanton, chief information officer (CIO) moved closer to home at the end of March 2019 and we welcome Adam Thomas as acting CIO. We also said goodbye to Doug Wulff, non-Executive director in February 2019, and Richard Welford, non-executive director in March 2019.

We have said a fond farewell to Jenni Ord, chairperson, a role she held for three and a half years. Jenni took the decision to leave the Trust at the end of April to regain a better work life balance and we would like to take this opportunity to thank her for her passion and commitment to the Trust through some very challenging times. We are currently recruiting to this and the non-executive positions.

We would like to welcome Dame Yve Buckland to the Trust as interim chairperson (20th May 2019 for six months). Yve is currently chairperson at the Royal Orthopaedic Hospital (ROH) in Birmingham. Under her leadership, the ROH has seen an improvement in its CQC rating from 'requires improvement' to 'good', as well as significant improvements in its operational performance.

Yve was awarded DBE in 2003 for services to public health. In addition to her role at the ROH, Yve was appointed as Pro Chancellor at Aston University in 2017. She is the former chairperson of the NHS Institute for Innovation and Improvement and the first national chairperson of the Water Consumer Council.

Yve's appointment is for six months and follows a recommendation of the Council of Governors' Remuneration and Appointments Committee which was endorsed by the full Council of Governors on Friday 26th April 2019.



**Dame Yve Buckland,**  
Chairperson



**Diane Wake,**  
Chief Executive

# Highlights of the year

## APRIL

Helping make mealtimes more enjoyable



Supported mealtimes replace protected mealtimes as we change our focus to 'supporting' our patients during mealtimes rather than 'protecting' them. We encourage patients' friends and family members to visit them during mealtimes to help keep them company and make mealtimes more of an enjoyable social occasion. Supported mealtimes protects lunch and dinner from unnecessary and avoidable interruptions.

## MAY

Dudley goes digital!



digital trust



The Dudley Group has officially gone digital! Electronic observation tablets are now on wards as we commenced the first visible parts of our digital journey. The new electronic patient record will make a huge difference to patient care. It will help staff make the best decisions for patients, because all the information will be in one place, all of the time. Once a note is updated by a medic, nurse or therapist, it will be immediately available for everyone to see, regardless of where they are working. Being digital will allow early recognition and escalation for all of our deteriorating patients, allowing the right people to get to the right place at the right time, to prevent further deterioration. This will improve patient safety.



## Highlights of the year

### JUNE

**Neon Colour  
Dash raises  
£13,000**



Almost 300 staff and former patients took part in the colour run at Himley Park, getting splattered with neon powder as they made their way around the 5k route.

A very impressive £13,000 was raised for the neonatal unit.

The Neon Dash is the brightest, biggest event in the Trust charity's calendar. It was supported by the Black Country Radio roadshow, a bouncy castle, funky face painting, barista van, gourmet burgers and charity stands.

### JULY

**Happy 70th  
birthday NHS!**



Happy birthday to us!

We celebrated the 70th birthday of the NHS in style on Thursday 5th July with cake, quizzes and a choir adding to the fun.

Colleagues and visitors alike shared memories of the NHS in general and the Trust in particular at our history display, featuring old photos, equipment and brochures.

AHPs tested our knowledge with a series of prize quizzes. The physios held a 'know your bones' challenge, the dietetic challenge saw you name as many fruits as you could in 70 seconds; SLT played Articulate while podiatry held a foot quiz.

## Highlights of the year

### AUGUST

**Nurse gets national award**



Liz Jones, a dermatology staff nurse based at Corbett Hospital, was named Psoriasis Nurse of the Year 2018 after being nominated by her patient, 19-year-old Alizah Pervez.

Alizah said Liz had helped her to understand her condition and had always found time for her when she visited for treatment.

At one point the teenager was having to attend three times a week – but said that Liz was always a friendly face.

Alizah saw a poster from the British Dermatology Nursing Group asking for nominations for awards which looked to 'recognise nurses delivering exceptional support and care'. She immediately thought of Liz.

### SEPTEMBER

**Sepsis monitoring goes digital**

### eSepsis is live!



The Trust moved to an online system to automate the process of identifying and monitoring patients at risk for sepsis.

eSepsis went live in inpatient departments after an extensive training period for staff and replaced the paper Sepsis form with just one electronic document.

The Trust has expanded its sepsis nurse practitioners to support the initiatives while also impacting on direct patient care.

At the same time, we moved across to NEWS2 – National Early Warning Score – to give a unified stratification tool to be used alongside the sepsis management.

# Highlights of the year

## OCTOBER

National award  
for nurse's  
learning  
disability work



Jacqui Howells and Katie O'Connor picked up the Learning Disabilities Nursing gong at the prestigious Nursing Times Awards 2018 at The Grosvenor House Hotel in London. The team won the national award for its work to improve the experience of people with learning disabilities when they visit hospital. The innovative project has grabbed the attention of NHS England which is interested in replicating it across the country.

## NOVEMBER

New meals on  
the menu at  
hospital



Tasty new meals are on the menu for inpatients at Russells Hall Hospital. The Trust has listened to feedback from patients and held special tasting sessions to come up with a range of meals which are the most popular and nutritious. The Trust is working with a new provider – Apetito – on the new inpatient menu. It includes a wider range of special dietary and cultural choices, such as vegan and kosher; options for those with allergies; healthy choices; and energy-dense options as well as smaller portions with a high protein content to help towards patients' nutritional needs.



## Highlights of the year

### DECEMBER

#### New Minor Procedure Room opens



The Deputy Mayor of Dudley, Councillor Hilary Bills, opened a new £250,000 facility at Russells Hall Hospital which lets patients have minor surgical procedures without having to go to theatre. The Minor Procedure Room in the outpatients department is a more comfortable and less overwhelming environment for patients. It also frees up theatres and makes the Trust more efficient.

Patients who can be treated there include those with varicose veins, those needing minor skin excisions, some eye patients having injections and those needing pain management injections without the need for X-rays.

### JANUARY

#### Flying the flag for Trust in Japan



Consultant gastroenterologist Professor Sauid Ishaq was invited to Japan to assist in the first ever Zenkers procedure there.

Professor Ishaq introduced this revolutionary endoscopic method of treating the rare condition of Zenker's diverticulum, in which a large sac develops in the upper part of the oesophagus, to the UK. He has since been to Japan, China and Amsterdam to work with teams there.

Professor Ishaq has also introduced the GERDX procedure to the UK. This groundbreaking treatment for acid reflux is proving life changing for patients and can be done as a day case.

## Highlights of the year

### FEBRUARY

**Dudley Group Trust going smoke-free**



The Dudley Group NHS Foundation Trust has announced it is going smoke-free from Monday 3rd June 2019.

Patients and visitors – along with staff – will not be able to smoke or vape anywhere on Trust premises, inside or out.

As a healthcare Trust, we clearly wish to promote a healthy environment. Since 2007, smoking has not been allowed in hospital buildings and everyone understands and respects that. Now we need to extend that to our wider estates, including our car parks.

### MARCH

**Dudley gets specialist centre for women's health**



A new specialist centre has been set up in Dudley to speed up diagnosis and treatment of women with complex cases of a debilitating condition.

Russells Hall Hospital has been registered as the Dudley Provisional Endometriosis Centre – one of only a handful in the country.

Mr Hassan Morsi, who has a specialist interest in endometriosis and is lead gynaecologist for the centre, said: "We are very proud to be able to offer local patients this specialised service. The service is a significant step towards helping women with endometriosis by offering them a highly specialised, evidence-based individualised treatment package. Women with endometriosis do not have to suffer in silence anymore."



# Performance analysis

The Trust closely measures and monitors performance throughout the year with reports on both financial and operational performance for all areas of the Trust reported monthly to Finance and Performance Committee, Board of Directors and Council of Governors. In addition, an electronic performance dashboard accessible via our staff intranet allows senior staff to closely monitor performance in their specific areas and weekly performance reports are discussed by Executive Directors.

## Key performance measures and meeting standards

The NHS monitors performance against a range of operational standards designed to ensure patients receive the right treatment in the right place at the right time giving people the best experience possible. We monitor our performance against standards through a monthly integrated performance report to our Clinical Quality Safety and Patient Experience Committee and onto the Board of Directors.

Our performance against the majority of national standards has once again been good with the exception of the four-hour standard to see, treat, admit or discharge patients in less than four hours of arrival at the Emergency Department and on occasion cancer wait performance has been variable.

## Emergency Care

Pressure on our Emergency Department has increased again this year with greater numbers attending and more arriving by ambulance. The national standard is to see, treat, admit or discharge more than 95 per cent of patients within four hours of their

arrival. The Trust failed to meet this standard. We have worked hard with our partners across clinical commissioning groups and local authority social services to help manage demand and to ensure we can discharge patients in a timely manner, once they are medically fit to leave hospital.

We have also been making improvements to the way we provide our emergency care including:

- streaming patients quickly (within 15 minutes wherever possible) in the Emergency Department,
- making sure patients who can be seen in the urgent care centre are treated there,
- getting specialist review in the Emergency Department (ED) of those patients who may need admitting, and
- working with social services and care homes to improve our discharge processes.





## Cancer treatment waiting times

The NHS sets out three main standards for cancer services:

1. Patients referred by a GP should be seen within two weeks of referral.
2. Patients referred directly by their GP to a cancer pathway who are then subsequently diagnosed with cancer should start treatment within 62 days of referral.
3. All patients diagnosed with cancer, irrespective of how they were initially referred, should start their treatment within 31 days of the diagnosis of cancer.

Performance against the national cancer standards has been variable, largely due to increased demand for cancer services associated with greater awareness. This has, in turn, been driven by variety of national awareness campaigns. In particular, we have found achieving the 62 day referral to treatment (RTT) standard a challenge and have plans in place that are getting this back on track.

## Referral to Treatment

All patients have the right to access consultant-led services within a maximum waiting time of 18 weeks, known as the referral to treatment time (RTT). The expectation is that 92 per cent of patients will have been waiting less than 18 weeks at the end of each month.

We are really proud that we perform regularly in the top ten in the country for this standard ensuring our patients are treated quickly by the right specialist.

## Infection control

We take infection prevention and control extremely seriously and monitor performance against a range of infections. We did not have an MRSA bacteraemia in the Trust since September 2015 until October 2018 and we have had one case for 2018/19.

C. difficile is a key infection we monitor, and for 2018/19 we had 28 confirmed cases of C.difficile. Of these cases, 20 were defined as 'lapses in care' against a trajectory of not having more than 28 lapses in care. Each case is discussed and the learning from each case shared with the divisions.

## Looking ahead for 2019/2020

We are focused on ensuring we deliver all of our operational standards that help keep patients safe and well cared for. Our key aims are to:

1. Improve our performance against the four hour standard for emergency care.
2. Continue to consistently perform against all cancer standards.
3. Maintain our excellent RTT performs amongst the best performers nationally.

See below for detail of performance against key national standards.

		2018/19	
		Target	Actual
Infection control	Number of C. diff cases (lapses in care)	28	20
Cancer Waiting Times	Two week wait for referral to first seen	93%	95% (Prov)
	31 day wait from diagnosis to treatment	96%	98.3% (Prov)
	62 day wait from referral to treatment	85%	82.9% (Prov)
Emergency Department	Patients waiting four hours or less to be seen, treated, admitted or discharged in A&E	95%	83.96%
Referral to Treatment - Elective Patients	% of incomplete pathways waiting less than 18 weeks	92%	93.53%
DMO1 – access to diagnostics	% of diagnostic tests waiting less than 6 weeks	99%	99.12%

## Financial performance

We know that given what our commissioners can afford to pay us for the care we provide we will need to continue to reduce costs even further if we are to remain financially sustainable. The environment for NHS hospital providers during 2018/19 was financially very challenging. In response, we delivered our largest and most successful ever efficiency programme of £19.5m, largely through corporate savings. This programme has enabled the Trust to continue to make investments in digitisation, frontline staffing and its equipment replacement programme. Following a £10.5m deficit in 2017/18, the Trust was set a very challenging financial target by NHSI of a £0.8m deficit in 2018/19. Signing up to this control total enabled the Trust the opportunity to earn additional bonus cash in the form of a Provider Sustainability Fund.

In 2018/19, the Sustainability and Transformation Fund (STF) was replaced by the Provider Sustainability Fund (PSF). The Trust was successful in achieving the first three quarters of PSF relating to the financial

outturn; however, no PSF was achieved in relation to the operational performance against the emergency access four-hour target (A&E waiting time target) or for financial performance in Q4 as a result of the impact of winter pressures on the Trust's finances and the timing of an asset sale.

The Trust ultimately incurred a deficit of £8.8m compared to the planned £0.8m deficit (after technical adjustments), a financial performance that was just under £8m worse than plan. This is an improvement on the previous year in terms of both the actual deficit position and distance from the control total. Although the Trust delivered a credible CIP performance and our income increased from the previous year's, continued cost pressures notably increased activity, pay and operational winter pressures contributed to the deficit position.

Taking the additional STF of £7.8m into account, the Trust deficit reduced to £1.1m. These figures exclude technical adjustments relating to impairments and donated asset depreciation.

	2018/19			2017/18	
	PLAN £000	ACTUAL £000	VARIANCE £000	PLAN £000	ACTUAL £000
<b>INCOME</b>	£353,782	£364,808	£11,026	£348,551	£347,548
<b>PAY</b>	-£218,521	-£228,166	-£9,645	-£206,985	-£214,622
<b>NON PAY</b>	-£113,265	-£124,963	-£11,698	-£116,422	-£120,202
<b>EBITDA</b>	£21,996	£11,679	-£10,317	£25,144	£12,174
<b>DEPRECIATION &amp; FINANCE COSTS*</b>	-£22,891	-£20,624	£2,267	-£22,614	-£24,573
<b>NET</b>	-£895	-£8,945	-£8,050	£2,530	-£11,849
<b>STF (17/18)/PSF (18/19) Core</b>	£9,043	£4,115	-£4,928	£8,574	£2,487
<b>STF (17/18)/PSF (18/19) Bonus</b>	£0	£3,682	£3,682	£0	£2,241
<b>FINAL SURPLUS (DEFICIT)</b>	£8,148	-£1,148	-£9,296	£11,104	-£7,121

\* Figure includes impairment of £0.154m in 18/19 and £1.428m in 17/18

Emergency attendances continue to increase significantly despite the operation of an onsite urgent care centre. Whilst the raw figures imply that emergency admissions have reduced, this is due to recording and operational changes, i.e. a proportion of emergency activity is now coded as an outpatient episode and more patients

are being seen by a physician within the Emergency Department without being admitted. Elective activity continues to increase, and the Trust continues to maintain a positive waiting time performance. Outpatient and community attendances have increased significantly throughout the year.

	2018/19			2017/18	Increase
	PLAN £000	ACTUAL £000	VARIANCE £000	ACTUAL £000	18-19 from 17-18 %
A&E attendances	£105,108	£107,524	£2,416	£103,377	4.0%
Elective spells	£56,162	£55,421	-£741	£54,529	1.6%
Non Elective spells (exc maternity)	£41,170	£36,576	-£4,594	£42,847	-14.6%
Births	£4,364	£4,310	-£54	£4,435	-2.8%
Outpatient attendances/procedures	£533,938	£561,945	£28,007	£507,079	10.8%
Community attendances	£409,722	£431,352	£21,630	£383,518	12.5%

In addition, we have delivered cost savings of £19.5m from improvement efficiencies during the year, which was more than the planned £15.4m.

	2018/19		
	PLAN £000	ACTUAL £000	VARIANCE £000
Pay Efficiencies	£4,776	£2,852	-£1,924
Non Pay Efficiencies	£9,689	£9,046	-£643
Income Efficiencies	£955	£7,581	£6,626
TOTAL CIP	£15,429	£19,479	£4,059
TARGET CIP	£15,420		





One of the biggest challenges the Trust continues to face is the cost of temporary staffing. Whilst the Trust extensively uses its own bank of staff to fill vacancies and shortages in rotas, it does also need to use agency staff. These staff typically cost more than substantive staff and which puts pressure on Trust budgets. The Trust spent nearly £13.7m on agency staff (in addition

to staff it drew from its own bank of temporary staff). This pressure challenged the Trust both financially and operationally and is more than double the cap set by NHS Improvement. This remains an area where a concerted effort is being made in 2019/20 to reverse this trend in spending through recruitment and retention of substantive staff.

	2016/17	2017/18	2018/19
	£000	£000	£000
Medical	£4,313	£3,847	£4,385
Qualified Nursing & Midwifery	£6,210	£6,167	£8,055
Un-qualified Nursing & Midwifery	£1,060	£213	£0
Scientific/therapeutic	£1,912	£1,354	£1,150
Admin/manager	£593	£127	£77
<b>TOTAL</b>	<b>£14,088</b>	<b>£11,708</b>	<b>£13,667</b>
<b>TARGET</b>			<b>£6,183</b>



In 2018/19, the Trust invested £11.1m on new facilities and equipment. The redevelopment and refresh of the MRI scanners at Russells Hall Hospital saw an investment of £3.0m. The Trusts' Digital Trust Programme entered its third year of development with an investment of £2.3m. We also spent £2.0m on new and replacement medical equipment. All of these investments improve the efficiency of the services we provide.

### Summary Capital

	Amount
Investment 2018/19	£000
Replacement Medical Equipment	£3,671
Information Technology	£801
MRI replacement building work	£1,317
Digital Health Programme	£2,343
Other schemes	£955
Private Finance Initiative Lifecycle	£1,991
<b>TOTAL</b>	<b>£11,078</b>

The Trust ended the year with a cash balance of £8.9 million, all held within the Government Banking Service which is £5.0m less than the same time last year. The Trust's overall liquidity position was at - 11.8 days compared to the plan of 0.2 days.

Given the financially challenging environment, the Trust saw a reduction in performance against the best practice payment policy target of 95 per cent compliance. During 2018/19, the Trust paid 79.8 per cent of non-NHS invoices in value terms and 53.7 per cent in quantity terms.



We recognise our responsibility on the social, economic and environmental wellbeing of communities of the Dudley borough and surrounding areas. In order to ensure we take on board views of our communities, we engage with, and seek the views of, our patients, stakeholders and the wider Dudley community through our governors and the Trust's membership scheme. You can find out more about this and the Trust's work to encourage more environmentally friendly practices on pages 57 to 59 of the Accountability Report.

The Trust also has a range of policies covering social, community, anti-bribery and human rights issues and monitors these through the Workforce and Staff Engagement Committee.

The directors consider the annual report and accounts, taken as a whole, to be fair, balanced and understandable, and provides the information necessary for patients, regulators and stakeholders to assess the NHS foundation trust's performance, business model and strategy.

The Trust again experienced a difficult financial year in 2018/19 which resulted in a deficit position and a further reduction in its cash balances. To mitigate the risks arising from the financial position, and to give itself the best chance of financial turnaround, the Trust Board has developed, and is continuing to deliver, a Financial Improvement Programme for 2019/20, which will aim to identify and implement cost improvement saving initiatives to allow the Trust to achieve its control total set by NHS Improvement. The Financial Improvement Programme for 2019/20 is £22 million. If achieved, the Trust will receive an additional £6.5m from the Provider Sustainability Fund.

If the Financial Improvement Programme is not achieved, the Trust will be required to borrow funds from the Department of Health and Social Care to meet its ongoing liabilities. This indicates the existence of a material uncertainty that may cast significant doubt about the Trust's and the Group's ability to continue as a going concern. The board continues to monitor its monthly and future cash position and has governance arrangements in place to manage cash requirements throughout the year.

The Dudley Group NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012.



A handwritten signature in black ink that reads "Y. H. Buckland.".

**Dame Yve Buckland**  
Interim Chairperson



A handwritten signature in black ink that reads "D. Wake" in a cursive style.

**Diane Wake**  
Chief Executive

# Partnership working

## Dudley Multi-specialty Community Provider (MCP)

We continue to work with partners to develop our Multi-specialty Community Provider model for which we were awarded the lead provider status in 2018. The partnership between ourselves, GPs, Dudley and Walsall Mental Health NHS Trust and Black Country Partnership Foundation Trust is set to transform the way we care for patients out of hospital. The MCP aim is to deliver integrated health and social care outside of hospital with no variation wherever patients touch the system. Core to the delivery of the MCP is the development of Multi Disciplinary Teams focussed on delivering the best outcomes for each patient. People should only attend hospital when absolutely necessary. We are continuing to work with our system partners to develop both the model and an organisation to hold the contract.

## Black Country Pathology

We are proud of our pathology services and all the people who work within them who have transferred over to the newly formed Black Country Pathology Service. The four acute trusts in the Black Country have agreed to work together to have one pathology service serving The Dudley Group NHS Foundation Trust, Sandwell and West Birmingham Hospitals NHS Trust, Walsall Healthcare NHS Trust and The Royal Wolverhampton NHS Trust.

The Black Country Pathology Service is a hub and spoke model with a hub at New Cross Hospital, Wolverhampton, and essential services laboratories (ESLs) at each acute hospital (Russells Hall, Walsall Manor, Midland Metropolitan).

The service, otherwise known as the Target Operating Model (TOM), has been developed with quality for patients and clinicians as its priority. It will provide economies of scale, improve the quality of the current service through sharing of resources and allow standardisation of the service across all sites, eliminating existing variations across services.

The TOM has been developed through an extensive engagement exercise with laboratory managers and leads, clinicians and other operational leads to determine the exact clinical requirements for each site and therefore the capability of the ESLs.

It aims to ensure not only that all current standards are as a minimum maintained, but that as the service becomes fully operational other benefits are realised. These will include a 24/7 microbiology service, extended hours for other services and faster turnaround times.

This isn't going to be set up and operational quickly, this will happen in a number of stages. The final 'steady state' stage is aimed for April 2020.



# Partnership working

## Black Country and West Birmingham Sustainability and Transformation Partnership

We continue to work collaboratively with partners in the Black Country and West Birmingham Sustainability and Transformation Partnership (STP).

The collective aim of the partnership is to deliver sustainable, integrated health and care services that improve the health, wellbeing and prosperity of our residents.

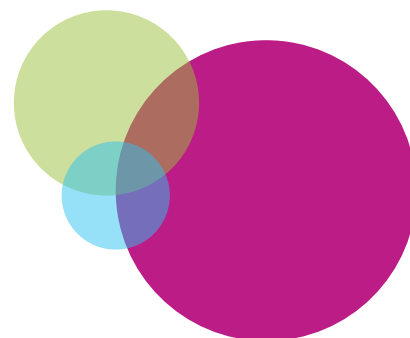
As a member of the STP, we contribute to the development of system-wide improvement plans that deliver financially and clinically sustainable services across the Black Country and West Birmingham. Through this work, the STP have identified three distinct but interconnected 'accountabilities' that outline what we are trying to achieve together. They are:

- Working at scale across the Black Country with the Combined Authority, our local councils and other stakeholders to address the wider, economic and social determinants of health that can make a positive difference to people's wellbeing.
- Collaborating on key areas such as mental health and cancer services that will enable us to deliver higher quality healthcare to our communities and better outcomes for patients.
- Integrating hospital, community, primary and social care services on a place-by-place basis.

During 2018/19, the STP strengthened its governance arrangements by appointing a Senior Responsible Officer, Independent Chairperson, Portfolio Director and a Project Management Office (PMO) team.

Achievements over the year include:

- A maternity 'You Said, We Did' event to demonstrate how the views of over 200 women and families were used to develop personalised, family-friendly maternity services across the Black Country and West Birmingham.
- A new specialist perinatal mental health service, secured with £1.2m of investment. The service provides timely support and treatment for pregnant women and new mums.
- Bringing together more than 60 mental health professionals to improve the joint commissioning and delivery of a range of mental health services across the Black Country.
- Developing a clinical strategy with local clinicians and agreeing 12 health priorities for the next five years. The clinical strategy will support health and care organisations to raise the quality of services provided to patients and commit to a culture of continuous improvement and co-production - ensuring better health, better care and better value of services.



- Introducing new workforce schemes that encourage GPs to stay in the primary care workforce. Up to £400,000 was made available to the STP, to promote new ways of working and offer additional support to local GPs. As part of this work, the Black Country and West Birmingham was named a GP Retention Intensive Support Site and to date have received over 200 expressions of interest from local GPs to participate in the workforce schemes.
- A cash injection of £79.4 million to modernise and transform NHS services and healthcare facilities across the Black Country and West Birmingham. The modernisation projects include £36.2m on a new Emergency Department and acute medical unit at Walsall Manor Hospital, £20.3m on a redesign of Russells Hall Hospital's Emergency Department, £15.4m on Information & Technology (IT) and estate upgrades at Birmingham City Hospital and £7.5m on a new purpose built facility for people with learning disabilities.

As the year has progressed, so too has our journey towards an Integrated Care System (ICS), both in our neighbourhoods and across the Black Country and West Birmingham. Our integrated health and care relationships will continue to grow and strengthen during 2019/20 as we take collective responsibility for delivering improvements set out in the NHS Long Term Plan and when we involve and listen to the views of our local communities as we develop our response to the Long Term Plan.





# Accountability Report



# Directors' report

The Board of Directors was established and constituted to meet the legal minimum requirements stated in the Health and Social Care (Community Health and Standards) Act 2003 and the requirements of the NHS Foundation Trust Code of Corporate Governance published by Monitor. The Board of Directors Nomination and Remuneration Committee works closely with the Council of Governors Appointments Committee to review the balance and appropriateness of its members' skills and competencies.

The Health and Social Care Act 2008 (Regulated Activities) Regulations 2014 deals with the fit and proper persons test which came into force in November 2014. We have complied with this requirement since May 2015 both upon appointment and with annual re-checks.

Non-executive directors can only be removed by a 75 per cent vote of the Council of Governors following a formal investigatory process, and the taking of independent legal advice, in accordance with guidance issued by our regulators.

We are confident that our board members do not have any interests or company directorships which could conflict with their management responsibilities. A Register of Directors' Interests is held by the board secretary and is available for inspection on request.

As an NHS foundation trust, no political or charitable donations have been made during 2018/19. During the year, we were not charged interest under the Late Payment of Commercial Debts (Interest) Act 1998.

As far as the directors are aware, there is no relevant audit information of which the auditor is unaware. The directors have taken all of the necessary steps to make themselves aware of any relevant audit information, and to establish that the auditor is aware of that information.

Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012) requires that the income from the provision of goods and services for the purposes of the health service in England must be greater than its income from the provision of goods and services for any other purposes. We confirm that we have met this requirement and that income received in 2018/19 had no impact on our provision of goods and services for the purposes of the health service in England.

The Board of Directors is responsible for ensuring that we have effective governance arrangements supporting the delivery of our quality priorities. Regular reports on the Trust's progress against the established quality priorities are taken to both the board and the Council of Governors by the chief nurse and further information on progress against standards can be found in the quality account page 142.

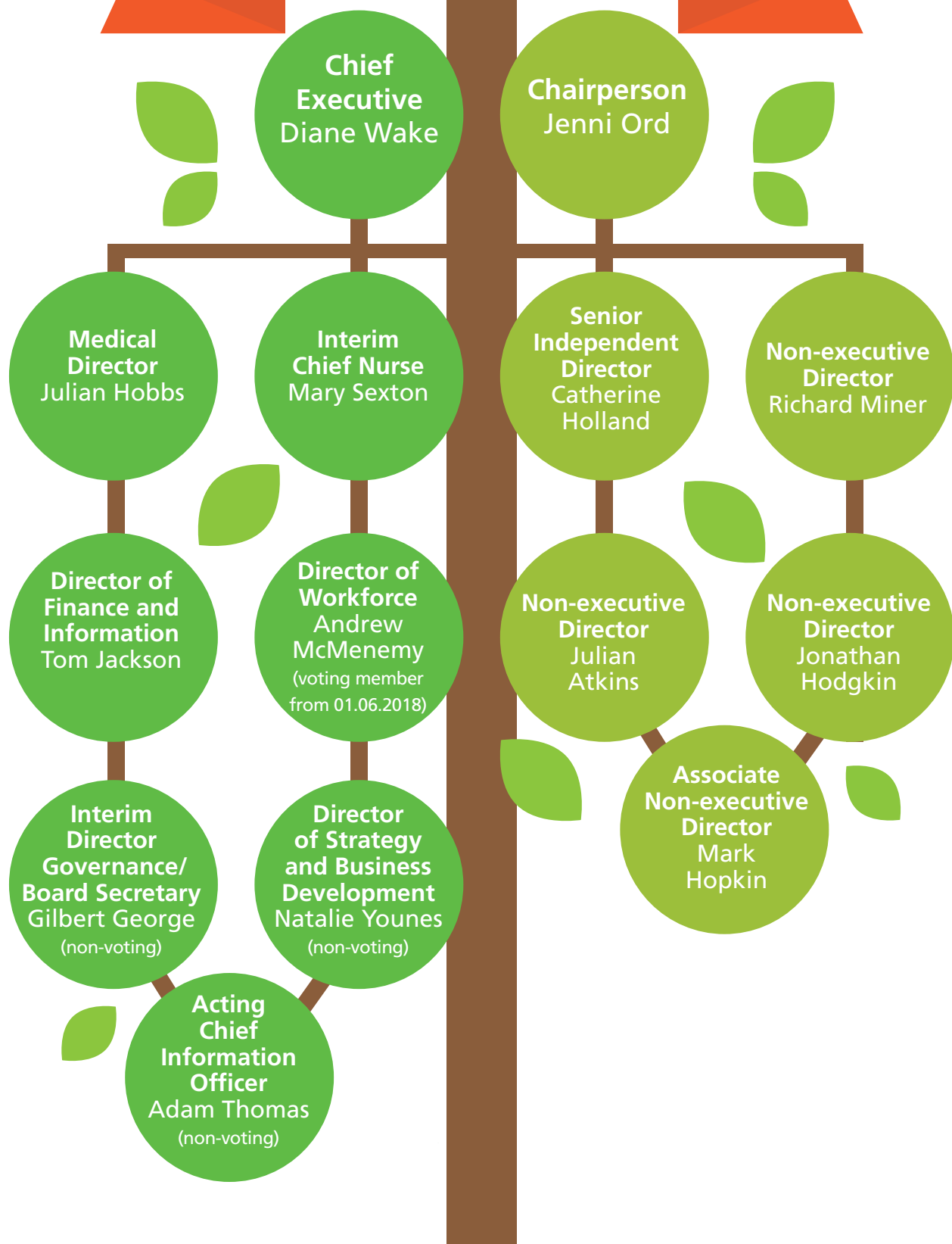
We have developed ward quality dashboards to support a local focus on the Trust quality metric, including the established quality priorities. These dashboards also ensure patients in each area can see at a glance the quality performance of that ward.

Dashboards have also been developed to other non ward clinical areas across 2018/19. Performance against key quality priorities and such arrangements for monitoring improvement in the quality of care and progress towards all quality standards can be found in the quality account see page 142.

Over the next ten pages you will find more information about the Board of Directors in post during the year 2018/19.

You can find more information of how the Board of Directors has assessed itself against the NHS Improvement well led framework through the Annual Governance Statement on pages 68 to 79.

## Board of Directors Structure as at 31st March 2019





## Jenni Ord, Chairperson

Jenni was previously the chairperson of Health Education West Midlands, the regional body responsible for training investment in the NHS workforce. Her early career was in education but she went onto become a senior civil servant taking up varied director roles at The Highways Agency in Organisational Development, IT Service Management and Asset Performance and Research. Prior to that she was regional director for The Pensions Service and The Benefits Agency. As a non-executive, she has chaired other NHS organisations including Solihull Care Trust, an integrated health and adult social care organisation, and Birmingham and Solihull PCT Cluster. Other roles have included vice chairperson of Birmingham Metropolitan College, which locally incorporates Stourbridge College, and work associated with the West Midlands Heritage Lottery Fund and Midland Heart Housing Association. Jenni is passionate about developing great NHS leadership, support for staff and high quality services.



## Julian Atkins, Non-executive Director

Julian joined the Trust in January 2016 as a non-executive director. He has experience in both the public and private sectors, having worked at organisations such as Alliance & Leicester, Marks & Spencer, Solihull Health Authority and the Thomas Cook Group. Prior to joining the Trust, he was part of the Executive Leadership Team and Head of Human Resources at Coventry Building Society where he worked for nearly 25 years. Julian is a Fellow of the Institute of Financial Services and the Chartered Institute of Personnel and Development and is also a member of the board at Coventry and Warwickshire Chamber of Commerce's subsidiary training company and is a past president of Coventry and Warwickshire Institute of Financial Services. Julian chairs the Charitable Funds and Workforce & Staff Engagement Committees, and is a member of the Audit Committee and Clinical Quality, Safety & Patient Experience Committee. Julian is passionate about delivering excellent customer service through skilled individuals and effective teams.



### **Jonathan Hodgkin, Non-executive Director**

Jonathan is an economist by training and has extensive experience of working at the interface of the public and private sectors as a consultant, regulator and company director in the utilities sector. He has held many director positions throughout his career. As a business consultant Jonathan has advised governments, regulators and companies around the world on industry restructuring, strategy and regulation.



### **Catherine Holland, Non-executive Director**

Catherine is a writer, speaker, coach/mentor and facilitator, developing the practice of senior leaders. A member of the Golden Egg Academy, she is currently writing a children's book.

Catherine is an associate consultant with 'Amara Collaboration', a contributing author to 'Street Smart Awareness' and 'Inquiry in Action'; and co-designer and facilitator in transformational leadership development retreats.

A former social worker and trainer and assistant director in social services, Catherine worked for 14 years in the Probation Service, first as a director for corporate services and later as chief executive of Staffordshire and West Midlands Probation Trust, the second largest probation trust in the UK.

Catherine designed and led West Midlands Probation through a successful performance and culture turn-around programme, and project managed the merger with Staffordshire Probation, the new Trust going on to be recognised for excellence and awarded four stars by the British Quality Foundation.

Catherine led SWM Probation Trust through extensive and challenging changes brought about by the Government's Transforming Rehabilitation programme, becoming chief executive of Staffordshire and West Midlands CRC, and later the newly formed Reducing Reoffending Partnership.



### **Richard Miner, Non-executive Director**

Richard is a chartered accountant by background and chairs the Audit Committee. Having joined the Trust in 2010, he is also a member of the Finance and Performance Committee, the Digital Trust Committee and sits on the board of Dudley Clinical Services Limited. A former partner in national accounting firm PKF (now part of BDO), he was also group finance director at LPC Group plc, at one time the largest independent tissue manufacturer in the UK. Richard first became involved with the NHS in 2006 as a non-executive director of Birmingham East and North PCT where he chaired the Audit Committee and World Class Commissioning working group. He is currently a director of Enterprise FD Limited, a provider of flexible and interim finance directors to entrepreneurial and ambitious organisations.

This also includes his role as finance director with Open Study College, one of the leading providers of distance learning materials.



### **Mark Hopkin, Non-executive Director**

Mark is a general practitioner of 25 years and is a partner of Moss Grove Surgery in Kingswinford. Mark is passionate about respiratory medicine and is the clinical lead for Dudley Clinical Commissioning Group. He joined the board in this new role of associate non-executive director in February 2017 and brings a wealth of primary care knowledge to the board. Quality of patient care is a clear priority for Mark and he has been fundamental in the review of respiratory pathways across Dudley and his work has shaped the respiratory work for the Multi-specialty Community Provider. His expertise is invaluable and provides another clinical expert at the board.







## **Diane Wake, Chief Executive**

A registered nurse by background, Diane joined The Dudley Group NHS Foundation Trust in April 2017, from Barnsley Hospital NHS Foundation Trust where she was chief executive since 2013. She has extensive experience in both clinical and leadership roles. Previously, she was interim CEO at Royal Liverpool and Broadgreen University Hospital NHS Trust, where she also worked as chief operating officer, director of infection prevention and executive nurse from 2007 to 2013. Diane trained as nurse between 1984-1987 and has a comprehensive background in nursing occupying senior nurse leadership positions in surgical specialities of urology, colorectal, vascular and breast. Diane soon became a general manager, before joining Mid Yorkshire Hospitals NHS Trust as deputy director of nursing and operations and then onto Liverpool before her appointment as CEO of Barnsley Hospital NHS Foundation Trust. Diane was chairperson of the Northern Burn care network. She has a passion for patient safety and high quality care and has knowledge and expertise in implementing robust governance processes. Diane lives in Shropshire.



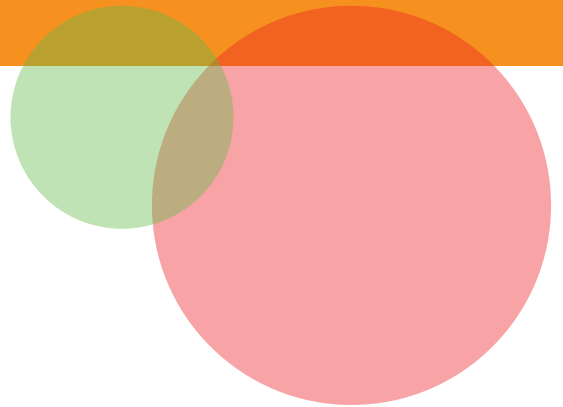
## **Gilbert George, Interim Director of Governance**

Gilbert joined us in November 2018 as the interim director of governance and has been a chartered secretary since 1993. His experience includes working across the NHS landscape including acute, community health, and clinical commissioning groups providing strategic advice and support to boards, chairs and chief executives covering all aspects of corporate and clinical governance and specialising in risk management. Gilbert has more than 15 years' experience of working at board and executive level, for both NHS and Quasi-Autonomous Non-Governmental Organisations (QUANGO) including being an executive director for the Third Sector with direct oversight from Her Majesty's Cabinet Office reporting to the then Cabinet Office Minister Ed Miliband.



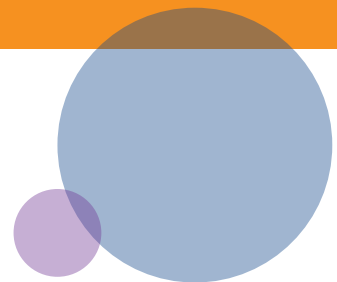
### Julian Hobbs, Medical Director

Julian joined the Trust from Royal Liverpool where he has been deputy medical director and has been since 2013. Julian is also a deputy medical director and leads on mortality for Cheshire and Merseyside area team at NHS England. Julian is a consultant cardiologist by background and has worked at Liverpool Heart and Chest Hospital alongside his current roles. Julian has had extensive experience in medical management roles for several years. He grew up in the Midlands area.



### Tom Jackson, Director of Finance

Tom has more than 25 years experience in NHS finance with a broad range of experience across all settings. A Fellow of the Chartered Institute of Public Finance, Tom has fulfilled a number of financial leadership, strategy and transformation roles with the last 10 years being at director level. He has delivered system wide strategies and substantial transformation programmes. Passionate about improving outcomes for patients and delivering value, he is excited to be able to utilise his skills and experiences to improve services for the people of Dudley.





### **Karen Kelly, Chief Operating Officer**

Karen joined us in January 2018 from Barnsley Hospital NHS Foundation Trust where she held the post of director of operations. A graduate of Keele University, Karen qualified as a nurse in 1993 and worked for more than 20 years at the University Hospital of North Staffordshire. She became part of the Transformation Team tasked with turning around Mid Staffordshire NHS Foundation Trust – becoming head of nursing there in 2010. Following this, she held the post of medical nurse director, followed by deputy director of operations at The Royal Liverpool and Broadgreen University Hospital Trust. Karen is passionate about quality of care being delivered that ensures our patients are safe.



### **Andrew McMenemy, Director of Workforce**

Andrew has worked in the NHS for more than 20 years and has held two board-level positions in the West Midlands. He joined the Trust from Heart of England NHS Foundation Trust where he was deputy director of workforce. He graduated from university in Glasgow with a degree in Law and also studied labour management relations in the United States. Andrew is a member of the Chartered Institute of Personnel and Development and is also a recent graduate of the NHS Nye Bevan programme for senior leaders.



### **Mary Sexton, Interim Chief Nurse**

Mary joined the Trust as interim chief nurse in January 2019. An experienced corporate lead for nursing, quality and governance, she brings with her more than 12 years' experience at executive level. She joins us from North Middlesex University NHS Trust where, as interim director of nursing and midwifery, she reviewed the complaints and PALS process reducing overdue complaints by 60 per cent. She also provided robust oversight of the nursing taskforce resulting in an improved nursing and midwifery workforce and management of spend. Mary, who began her career as a staff nurse at East Surrey Hospital in 1983, has worked in a variety of settings including acute, community and mental health at local and regional level. An honorary professor for the School of Health and Education at Middlesex University she has extensive experience in service transformation and professional standards and acts as a specialist professional advisor with the Care Quality Commission (CQC).



## Adam Thomas, Chief Information Officer

Adam re-joined the Trust in 2009 and brings 15 years of NHS experience in clinical and senior management positions to his executive role. A graduate of Aston University, Adam qualified as a pharmacist and proceeded to undertake post-graduate qualifications in clinical pharmacy and independent prescribing, sustaining a clinical commitment in medical oncology at The Dudley Group since 2010. After leading a number of healthcare IT projects, he took a career move to IT in 2016 where, as part of the senior leadership team, he has delivered a programme of digital transformation and enhancement including the Trust's strategic electronic patient record (EPR), Sunrise. Adam takes responsibility for the commercial IT function that generates revenue for re-investment in the Trust. As a strong advocate for connected care systems, over the past two years, Adam has led on the delivery of population health management solutions for the Dudley healthcare economy, linking the hospital with GPs across the borough. Established as a digital leader within the region, from prior roles as Digital Strategy Director and Deputy CIO, he continues to support MCP and STP digital strategic agendas.



## Natalie Younes, Director of Strategy and Business Development

Natalie joined us from Lincolnshire and District Medical Services (LADMS) where she held a joint role of commercial director with the GP Federation and Mental Health Trust since 2011. She originally started her career in Law and was called to the bar where she worked within social welfare, housing benefits, debt, employment and family law. This led onto working with the local authority focusing on deprivation and stimulating enterprise. Natalie then entered the NHS in 2010 primarily working on tendering and encouraging collaboration across providers. Natalie said, "I am very excited to join the Trust and have the opportunity to drive business and service improvement and prepare for the NHS challenges of the future."



### Board of Directors attendance

The Board of Directors meets monthly in public and carries out its business in accordance with an agreed agenda setting process and an annual cycle of business.

All voting directors have joint responsibility for every decision made during board meetings.

The Board of Directors met 12 times during 2018/19 and the table below shows attendance of members.



### Directors in post during the financial year/board meeting attendance

Position	Name	Commencing	End	Board meeting attendance out of 12
Chief Executive	Diane Wake	03/04/17		10
Director of Finance	Tom Jackson	01/02/18		12
Chief Operating Officer	Karen Kelly	02/01/18		10
Medical Director	Dr Julian Hobbs***	02/10/17		11
Chief Nurse	Siobhan Jordan	10/04/17	15/01/19	5
Interim Chief Nurse	Mary Sexton	28/01/19		1
Director of Workforce	Andrew McMenemy**	01/08/16		10
Director of Governance/Board Secretary	Glen Palethorpe*	01/04/15	02/12/18	8
Interim Director of Governance	Gilbert George*	05/11/18		4
Director of Strategy and Business Development	Natalie Younes*	25/09/17		9
Chief Information Officer	Mark Stanton*	01/09/14	31/03/19	11
Chairperson	Jenni Ord	01/01/16	30/04/19	12
Non-executive Director	Ann Becke	01/11/05	30/10/18	6
Non-executive Director	Doug Wulff	01/02/15	03/02/19	8
Non-executive Director	Julian Atkins	04/01/16	03/12/19	12
Non-executive Director	Richard Miner	01/05/12	30/09/19	12
Non-executive Director	Catherine Holland	01/09/18		4
Non-executive Director	Richard Welford	01/04/18	31/03/19	8
Non-executive Director	Jonathan Fellows	25/10/07	31/07/18	2
Non-executive Director	Jonathan Hodgkin	01/04/18		7
Associate Non-executive Director	Mark Hopkin*	01/04/17		9

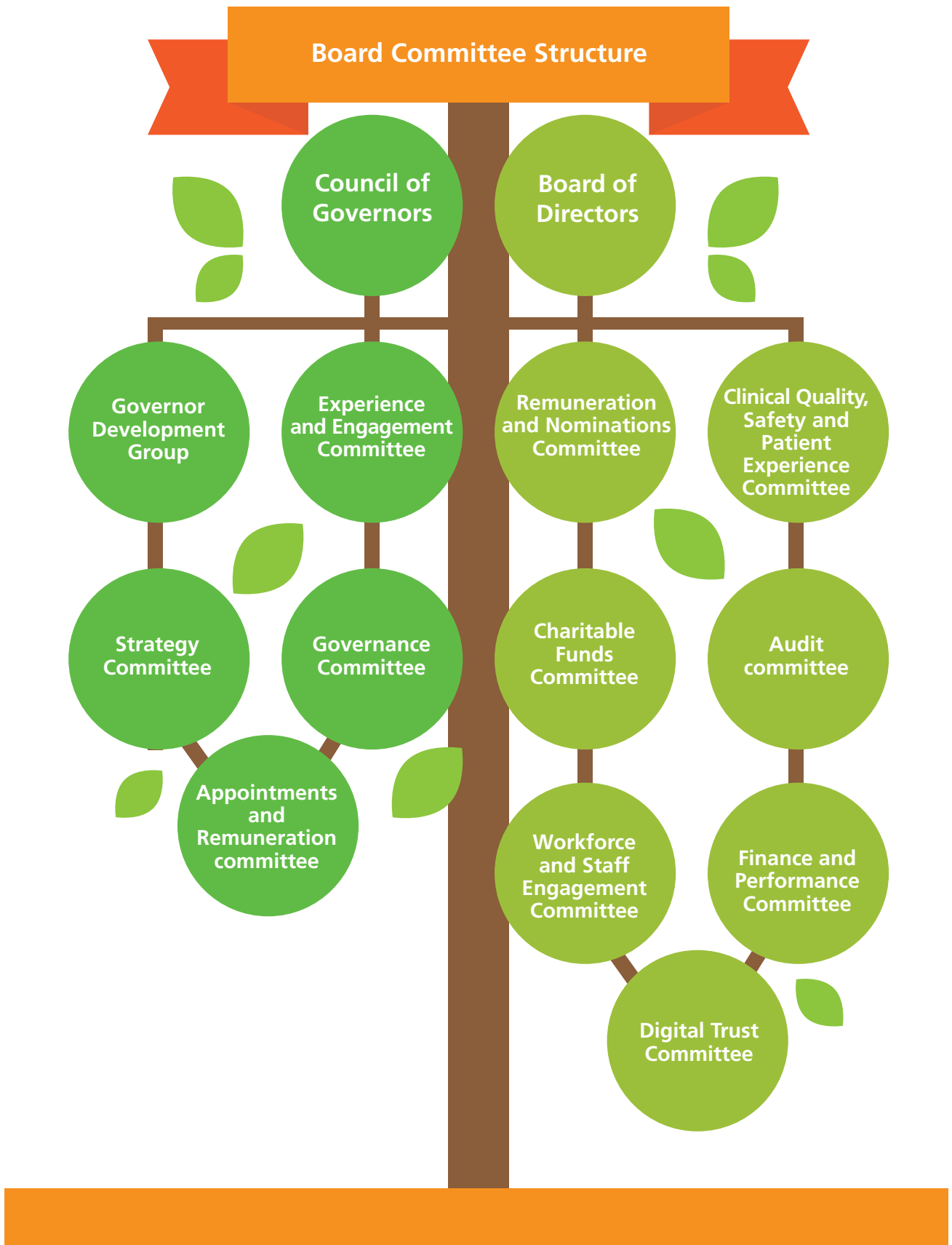
\*\*\* Julian Hobbs became substantive medical director on 01/05/18

\*\* Andrew McMenemy became a voting member of the board on 01/06/18

\* Glen Palethorpe, Gilbert George, Natalie Younes, Mark Stanton and Mark Hopkin are non-voting directors

Board Committee Structure

The board and Council of Governors conduct their business through a cycle of sub committees



# Audit Committee

The Audit Committee is a sub-committee of the Board of Directors. The committee provides the board with an objective view of the effectiveness of internal control systems in operation within the Trust. It receives regular reports from the Trust's internal and external auditors. The committee also ensures that statutory obligations, legal requirements and codes of conduct are followed. During the financial year, the Audit Committee reviewed the Trust's accounting policies. This included a number of minor changes in 2018/19 relating to consolidation, provisions and accounting policies that have yet to be adopted. The Audit Committee considered reports relating to these changes and approved the proposed changes for the 2018/19 financial year.

The Audit Committee has discussed the key areas of focus as communicated by our external auditors in relation to risk of fraud in revenue and expenditure recognition and valuation of property, plant and equipment and going concern. The Audit Committee considers we have received appropriate sources of assurance in relation to these matters.

The membership of non-executive directors has changed during the year reflecting the changes in the terms of office and therefore people in office. Non-executive director Richard Miner has remained chairperson throughout the year. The chief executive is only required to attend one meeting per year.

The Audit Committee met five times during the year.

The Trust has a policy in place for the approval of additional services by the external auditor to ensure that the independence of the external auditor is not compromised where work outside the audit code has been purchased.

Details of the value of both audit and non-audit services provided by Pricewaterhouse Coopers can be found on page 114 of the accounts.



**Signed on 22nd May 2019**

**Diane Wake**

**Chief Executive**

## Audit committee attendance

Audit Committee membership		Attendance
Richard Miner	Non-executive Director (Committee chair)	5/5
Jonathan Fellows	Non-executive Director	1/1
Ann Becke	Non-executive Director	1/2
Richard Welford	Non-executive Director	5/5
Julian Atkins	Non-executive Director	4/4
In Attendance		
Tom Jackson	Director of Finance	5/5
Glen Palethorpe	Director of Governance	3/3
Gilbert George	Interim Director of Governance	2/2
Diane Wake	Chief Executive	1/5

# Remuneration report

## Annual statement on remuneration (Information not subject to audit)

The committee operates to review and evaluate the board structure and expertise, as well as to agree a job description and person specification for the appointments of the chief executive and executive directors. The committee also identifies and nominates suitable candidates for such vacancies and recommends its proposed appointment for chief executive to the Council of Governors. Interview panels for executive director appointments are usually made up of existing directors, governors and external stakeholders. The committee determines the appropriate levels of remuneration for the executive directors. Remuneration levels are normally determined by reference to such factors as those applying in equivalent organisations in the NHS, changes in responsibility, performance, salary increases agreed for other NHS staff and guidance issued by the Secretary of State.

During the year, the Nomination and Remuneration committee approved interim arrangements for the chief nurse and director of governance. The committee also received performance appraisal information for each of the executive directors and undertook an annual review to ensure the board continues to apply with the fit and proper person requirement.

For the purpose of the Annual Report and Accounts, the chief executive has agreed the definition of a "senior manager" to be voting executive and non-executive directors only.

## Senior manager remuneration policy (Information not subject to audit)

Remuneration for executive directors does not include any performance-related elements and there are no plans for this in the future. No significant financial awards or

compensation have been made to past senior managers during the reporting period. There is no provision for the recovery of sums paid to directors or for withholding payments of sums to senior managers. Senior managers' service contracts do not include obligations on the Trust which could give rise to or impact on remuneration payments for loss of office. Senior managers' individual service contracts mirror national terms and conditions of employment and include notice periods and any termination arrangements. In the event of a contract being terminated, the payment for loss of office will be determined by the Nomination and Remuneration Committee. Payment will be based on contractual obligations. Payment for loss of office will not be made in cases where the dismissal was for one of the five 'fair' reasons for dismissal. In setting the remuneration policy for senior managers, consideration was given to the pay and conditions of employees on Agenda for Change. The Trust uses benchmarking data to ensure all salaries, including those over £150,000, are reasonable and provide value for money. Executive and non executive did not receive a national pay award in 2018/19. The Trust has not consulted with employees when determining the senior managers' remuneration.

**Jenni Ord**, Remuneration and Nomination Committee Chairperson





### Nomination and remuneration committee

The Nomination and Remuneration Committee is a sub-committee of the board and holds at least one meeting per year. During 2018/19, it held six meetings and attendance at meetings were as below. Executive directors also attend the Nomination and Remuneration Committee on occasion. The terms and conditions for the executive directors and senior managers of the Trust are included in their individual contracts of employment which includes notice periods and any termination arrangements.

Nomination and remuneration committee		Attendance
Jenni Ord	Chairperson (Committee Chair)	6
Ann Becke	Non-executive Director	4/4
Richard Miner	Non-executive Director	5
Julian Atkins	Non-executive Director	6
Doug Wulff	Non-executive Director	4/5
Richard Welford	Non-executive Director	3
Jonathan Hodgkin	Non-executive Director	5
Jonathan Fellows	Non-executive Director	1/2
Catherine Holland	Non-executive Director	2/3



## Salary and Pension entitlements of Senior Managers 2018/19

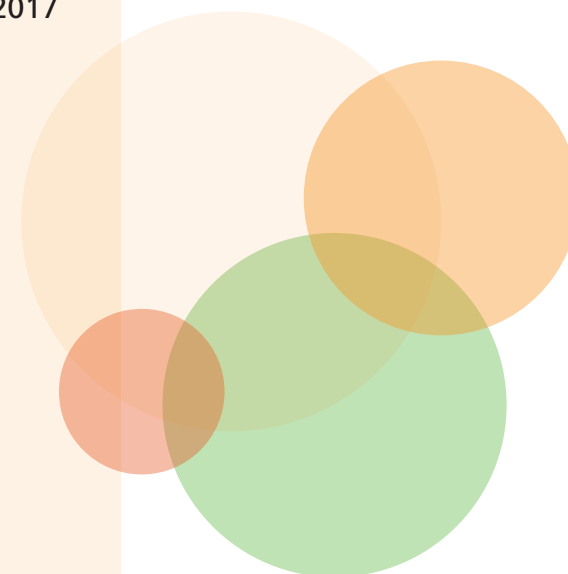
(Information subject to audit)

### A) Remuneration

Name and Title	Note	2018/19						2017/18					
		Salary	*Expense payments (taxable)	Performance pay and bonuses	Long term performance pay and bonuses	#All Pension Related Benefits	Total	Salary	*Expense payments (taxable)	Performance pay and bonuses	Long term performance pay and bonuses	#All Pension Related Benefits	Total
		(bands of £5,000)	(to the nearest £100)	(bands of £5,000)	(bands of £5,000)	(bands of £2,500)	(bands of £5,000)	(bands of £5,000)	(to the nearest £100)	(bands of £5,000)	(bands of £5,000)	(bands of £2,500)	(bands of £5,000)
		£000	£	£000	£000	£000	£000	£000	£	£000	£000	£000	£000
Diane Wake, Chief Executive	A	180-185				152.5-155	335-340	180-185				140-142.5	320-325
Paul Harrison, Acting Chief Executive	B						0	90-95					90-95
Paul Taylor, Director of Finance & Information	C						0	100-105					100-105
Chris Walker, Acting Director of Finance	D						0	10-15				5-7.5	15-20
Tom Jackson, Director of Finance	E	145-150				5-7.5	155-160	25-30				17.5-20	40-45
Matthew Banks, Acting Medical Director	F						0	0-5					0-5
Julian Hobbs, Medical Director	G	190-195				115-117.5	310-315	90-95				72.5-75	165-170
Paul Bytheway, Chief Operating Officer	H						0	80-85				52.5-55	140-145
Michael Woods, Interim Chief Operating Officer	I						0	35-40				250-252.5	285-290
Karen Kelly, Chief Operating Officer	J	130-135				57.5-60	190-195	30-35				7.5-10	40-45
Siobhan Jordan, Chief Nurse	K	100-105				0	100-105	125-130				172.5-175	300-305
Mary Sexton, Interim Chief Nurse	L	20-25				20-22.5	45-50	0					0
Andrew McMememy, Director of Workforce & OD	M	110-115				37.5-40	150-155	0					0
Jenni Ord, Chairperson		45-50	2,100				50-55	45-50	1,600				45-50
Julian Atkins, Non-executive Director		10-15	500				10-15	10-15	300				10-15
Ann Becke, Non-executive Director	N	5-10	100				5-10	10-15	100				10-15
Jonathan Fellows, Non-executive Director	O	5-10					5-10	15-20					15-20
Jonathan Hodgkin, Non-executive Director	P	10-15	500				10-15	0					0
Catherine Holland, Non-executive Director	Q	5-10	100				5-10	0					0
Richard Miner, Non-executive Director		15-20	1,400				15-20	15-20	600				15-20
Richard Welford, Non-executive Director	R	10-15	300				10-15	0					0
Douglas Wulff, Non-executive Director	S	10-15	200				10-15	10-15	100				10-15
<b>Aggregate Total</b>		<b>1030-1035</b>	<b>5,300</b>			<b>395-397.5</b>	<b>1435-1440</b>	<b>970-975</b>	<b>2,800</b>	<b>0</b>	<b>0</b>	<b>725-727.5</b>	<b>1640-1645</b>

- \* Expense Payments relate to home to base travel reimbursement for non-executive directors.
- # The all pensions related benefits disclosed arise from membership of the NHS Pensions defined benefit scheme. They are not remuneration paid (non-cash), but the increase in pension benefit net of inflation for the current year. Contributions are made by both the employer and the employee from their salary in accordance with the rules of the scheme which applies to all NHS staff in the scheme.

- A Diane Wake started 3rd April 2017
- B Paul Harrison resumed as Medical Director 3rd April 2017 and stood down 2nd October 2017
- C Paul Taylor left 31st December 2017
- D Chris Walker became Acting Director of Finance 1st January 2018 until 31st January 2018
- E Tom Jackson started 1st February 2018
- F Matthew Banks became Acting Medical Director 3rd October 2016 and stood down 3rd April 2017
- G Julian Hobbs started 2nd October 2017
- H Paul Bytheway started 1st May 2015 and left 24th September 2017
- I Michael Woods became Chief Operating Officer 2nd October 2017 and left 1st January 2018
- J Karen Kelly started 2nd January 2018
- K Siobhan Jordan started 10th April 2017 and left 15th January 2019
- L Mary Sexton started 28th January 2019
- M Andrew McMememy became a voting director 1st April 2018
- N Ann Becke left 31st October 2018
- O Jonathan Fellows left 31st July 2018
- P Jonathon Hodgkin started 1st April 2018
- Q Catherine Holland started 1st September 2018
- R Richard Welford started 1st April 2018 and left 31st March 2019
- S Douglas Wulff left 3rd February 2019



The Trust is required to disclose the relationship between the remuneration of the highest paid Director and the median remuneration of the other Trust employees.

The banded remuneration of the highest paid Director of the Trust for 2018/19 is £190,000 - £195,000 (2017/18 £180,000 - £185,000). This was 6.94 times (2017/18 7.1 times) the median remuneration of the workforce, which was £25,000 - £30,000 (2017/18 £25,000 - £30,000). In 2018/19, there were no (2017/18 nil) employees who received remuneration in excess of the highest paid Director.

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

## Salary and Pension entitlements of Senior Managers 2018/19

### B) Pension Benefits

Name and Title	Note	Real increase in pension at age 60  (bands of £2,500)	Real increase in lump sum at age 60  (bands of £2,500)	Total accrued pension at age 60 at 31st March 2019  (bands of £5,000)	Lump sum at pension age related to accrued pension at 31st March 2019  (bands of £5,000)	Cash Equivalent Transfer Value at 1st April 2018	Real Increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31st March 2019	Employer's contribution to stakeholder pension
		£000	£000	£000	£000	£000	£000	£000	£000
Diane Wake, Chief Executive		5-7.5	20-22.5	70-75	210-215	1,209	296	1,505	
Tom Jackson, Director of Finance		0-2.5	0	50-55	120-125	830	120	950	
Julian Hobbs, Medical Director		5-7.5	10-12.5	55-60	135-140	872	216	1,088	
Karen Kelly, Chief Operating Officer		0-2.5	10-12.5	45-50	140-145	876	174	1,050	
Siobhan Jordan, Chief Nurse	1	0-2.5	0	30-35	80-85	510	73	583	
Mary Sexton, Interim Chief Nurse	1	5.0-7.5	12.5-15	40-45	105-110	680	170	850	
Andrew McMemery, Director of Workforce & OD		2.5-5.0	0-2.5	30-35	70-75	430	97	527	

#### Note:-

1 Figures shown reflect time in office during the year.

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



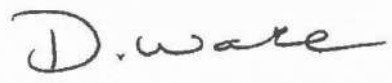
**Real Increase in CETV** - This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and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

On 16th March 2016, the Chancellor of the Exchequer announced a change in the Superannuation Contributions Adjusted for Past Experience (SCAPE) discount rate from 3.0 per cent to 2.8 per cent. This rate affects the calculation of CETV figures in this report.

Due to the lead time required to perform calculations and prepare annual reports, the CETV figures quoted in this report for members of the NHS Pension scheme are based on the previous discount rate and have not been recalculated.

The Trust is required to disclose the expenses paid to directors, non-executive directors and governors.

The band of the expenses paid for 2018/19 was £15,000 - £17,500 (2017/18 £10,000 - £12,500).



**Date:** 22nd May 2019

**Diane Wake**

**Chief Executive**



### Governor and director expenses

During 2018/19, 16 individuals (2017/18, 17) were executive or non-executive directors for the Trust. Of these, 13 (2017/18, 11) received expenses in the reporting period and the aggregate sum of expenses paid was £17,086.29 (2017/18, £11,518.77). In addition, 25 individuals (2017/18, 25) were governors for the Trust. Of these, 1 (2017/18, 2) received expenses in the reporting period and the aggregate sum of expenses paid was £7.20 (2017/18, £174.56).

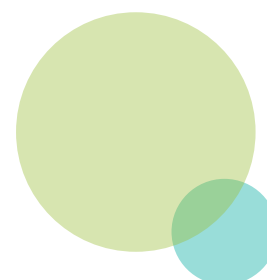
### Better Payment Code of Practice

The Better Payment Practice Code requires the Trust to aim to pay all undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later.



	2018/19	2018/19	2017/18	2017/18
	Number	£000	Number	£000
Total non-NHS trade invoices paid in the year	60,872	210,885	56,232	206,884
Total non-NHS trade invoices paid within target	32,702	168,317	54,349	203,852
Percentage of non-NHS trade invoices paid within target	54%	80%	97%	99%

The Trust can confirm that it has complied with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information guidance. This guidance discusses how public sector organisations should charge for information.



# Staff report

## About our employees

We are proud to be a major employer in the Dudley Borough and surrounding areas. The Trust employs 4,489 substantive and 413 fixed term contracted staff, (as at 31st March 2019) which has reduced the total number of staff from last year but this is due to a big group of our staff TUPed across to employment of Royal Wolverhampton NHS Trust as part of Black Country Pathology services, see more page 25. This means that although the real time numbers appear to have reduced they have in fact increased by over 100 staff reflective of investments made in our staffing numbers this year.

In this section you will find a breakdown of the workforce profile, and staff in post during the year plus information about how we promote equality and diversity and how we engage our workforce in the Trust strategy.

An analysis of our workforce statistics indicates they are comparable with the local Dudley population. Historically, the Trust has seen a higher proportion of female workers than males, and this is typically reflected across other combined acute and community NHS trusts.

## Staff in post at 31st March 2019:

Staff Group	FTE	Headcount
Add Prof Scientific and Technic	172.33	191
Additional Clinical Services	933.09	1104
Administrative and Clerical	894.44	1020
Allied Health Professionals	314.63	380
Healthcare Scientists	44.31	51
Medical and Dental	468.04	487
Nursing and Midwifery Registered	1447.57	1659
Students	10.00	10
<b>Grand Total</b>	<b>4284.39</b>	<b>4902</b>

## Workforce profile

A breakdown of our staff according to



### Gender split



**Female**  
2019 - 82.25%  
2018 - 82.17%



**Male**  
2019 - 17.75%  
2018 - 17.83%

### Disability breakdown

	18/19	17/18
Declared Disability	1.73%	1.32%
Nothing Declared	58.28%	63.62%
Declared no Disability	39.98%	35.06%

### Ethnicity breakdown

	18/19	17/18
BME	16.52%	16.10%
White	68.75%	68.29%
Not Stated	14.73%	15.61%

### Age profile

Employee Age Group	Headcount	
	18/19	17/18
<=20 Years	74	71
21-25	412	441
26-30	625	619
31-35	648	658
36-40	567	553
41-45	549	578
46-50	665	690
51-55	671	688
56-60	442	400
61-65	186	184
66-70	50	47
<b>Total</b>	<b>4902</b>	<b>4940</b>

### Religion/faith breakdown

Religious Belief	% of Workforce	
	18/19	17/18
Atheism	5.92%	5.24%
Buddhism	0.20%	0.14%
Christianity	30.76%	28.99%
Hinduism	1.47%	1.48%
Chose not to disclose	40.31%	42.19%
Islam	2.67%	2.09%
Other	3.92%	3.64%
Sikhism	1.29%	0.93%
Undefined	13.44%	15.30%
Judaism	0.02%	0.00%

### Sexual Orientation

Sexual Orientation	% of Workforce	
	18/19	17/18
Bisexual	0.10%	0.10%
Gay or Lesbian	0.88%	0.73%
Heterosexual	46.94%	42.94%
Chose not to disclose	38.72%	40.97%
Undefined	13.36%	15.26%



## Equality and diversity

During 2017/18, the Trust joined the NHS Employers Diversity Partners programme. This, alongside the appointment of an Inclusion Lead, has supported further progress on being a Trust that values equality and inclusion.

We started an Inclusion Group to provide further oversight and coordination of activities to improve access and experience for colleagues and patients who are protected by at least one of the nine characteristics.

The Board of Directors through the Workforce and Staff Engagement Committee continued to monitor the Trust's activities in promoting equality and diversity throughout the year including delivery of the Workforce Race Equality Standard (WRES) and gender pay reporting and during 2019 will include reporting the Workforce Disability Equality standard (WDES). Areas identified for action included access to training and the likelihood of Black and Minority Ethnic (BME) staff being investigated.

We are really pleased that nine members of staff accessed the National NHS Leadership Academy 'Stepping Up' programme during 2018 and the Board of Directors heard about one of the participants stories through the regular staff story programme at board. This is a specific programme for Black and Minority Ethnic (BME) staff in leadership roles. You can read more on our website: [www.dudleygroup.nhs.uk/AboutUs/Equality and Diversity](http://www.dudleygroup.nhs.uk/AboutUs/EqualityandDiversity)

All staff are required to complete a module on equality and diversity through our mandatory training programme which includes learning disability and autism awareness. We are proud that more than

93 per cent of staff have completed this including all new employees who complete this module during their induction. During 2019/20 we will be providing further training for all colleagues to ensure they broaden their skills and knowledge beyond the basics and support for managers to ensure they are inclusive leaders.

We are subscribed to the 'Disability Confident' scheme which is a national standard that recognises that we are positive about employing disabled people and have reviewed our recruitment practices. We provide guaranteed interviews for those with disabilities who meet the job criteria.

Annually, we publish workforce data to support us in reviewing how well we are representing the local area and ensuring we promote employment and development opportunities to all.

At 31st March 2019, the Board of Directors composed of seven non-executive directors and nine executive directors. Of the total, six were female and 10 were male. Of the total number of staff employed by the Trust, 4,032 were female and 870 male.





**Average number of employees (WTE basis)**  
(Information subject to audit)

	Total Accounts 31st Mar 2019 2018/19 No.	Permanent Accounts 31st Mar 2019 2018/19 No.	Other Accounts 31st Mar 2019 2018/19 No.	Total Accounts 31st Mar 2018 2017/18 No.	Permanent Accounts 31st Mar 2018 2017/18 No.	Other Accounts 31st Mar 2018 2017/18 No.
Medical and dental	529	478	51	531	487	44
Ambulance staff	0	0	0	0	0	0
Administration and estates	913	876	37	876	852	24
Healthcare assistants and other support staff	1392	1269	123	1371	1286	85
Nursing, midwifery and health visiting staff	1604	1467	137	1597	1469	128
Nursing, midwifery and health visiting learners	21	21	0	33	33	0
Scientific, therapeutic and technical staff	339	251	88	308	285	23
Healthcare science staff	0	0	0	0	0	0
Social care staff	0	0	0	0	0	0
Other	0	0	0	0	0	0
<b>Total average numbers</b>	<b>4798</b>	<b>4362</b>	<b>436</b>	<b>4716</b>	<b>4412</b>	<b>304</b>
Of which:						
Number of Employees (WTE) engaged on capital projects	0	0	0	0	0	0

**Staff costs**  
(Information subject to audit)

	Total Accounts 31st Mar 2019 2018/19 £000	Permanent Employed Accounts 31st Mar 2019 2018/19 £000	Other Total Accounts 31st Mar 2019 2018/19 £000	Total group after consolidation of charity Accounts 31st Mar 2018 2017/18 £000	Permanent group after consolidation of charity Accounts 31st Mar 2018 2017/18 £000	Other group after consolidation of charity Accounts 31st Mar 2018 2017/18 £000
Salaries and wages	177,347	175,059	2,288	167,506	165,311	2,195
Social security costs	16,809	16,809	0	15,855	15,855	0
Apprenticeship levy	866	866	0	812	812	0
Pension cost - employer contributions to NHS pension scheme	19,386	19,386	0	18,721	18,721	0
Pension cost other	48	48	0	20	20	0
Other post employment benefits	0	0	0	0	0	0
Termination benefits	0	0	0	0	0	0
Temporary staff - external bank	0	0	0	0	0	0
Temporary staff - agency/contract staff	13,655	0	13,655	11,708	0	11,708
NHS charitable funds staff	46	46	0	44	44	0
<b>Total gross staff costs</b>	<b>228,111</b>	<b>212,168</b>	<b>15,943</b>	<b>214,666</b>	<b>200,763</b>	<b>13,903</b>
Recoveries from DHSC Group bodies in respect of staff cost netted off expenditure	0	0	0	0	0	0
Recoveries from other bodies in respect of	0	0	0	0	0	0
<b>Total staff costs</b>	<b>228,111</b>	<b>212,168</b>	<b>15,943</b>	<b>214,666</b>	<b>200,763</b>	<b>13,903</b>

## Staff health and wellbeing

Supporting our staff to be healthy at work is more important than ever with rising sickness absence levels due to mental health issues.

This year we have developed a range of activities to further support our people, alongside the core Health and Wellbeing Service which undertakes pre-employment checks and ongoing support to make sure that our colleagues are safe and well to deliver care to our patients and we can support them in their work with us.

Our mental health support for colleagues has grown in 2018/19 and we now offer a range of support for anyone experiencing mental health issues which include:

- Vocational support offered independently by Remploy.
- Confidential telephone counselling with an employee assistance program which supports colleagues not only with work related stress / anxiety, but any issues causing our colleagues concern including financial worries.
- Face to face counselling offered by a Trust employed councillor.

We have a dedicated physiotherapy service for our teams, this service provides access to fast-track physiotherapy to support colleagues who have identified a musculoskeletal problem and a drop in service is also available to allow rapid access to colleagues for acute issues. We are looking to expand this service for 2019/20 to make sure all our staff who need support can get access to the service when they need it.

Our fruit stall continues to be in place at the entrance to the building and is very popular amongst everyone who works or visits the hospital. We are also promoting healthy

eating and further initiatives have been undertaken to improve access to healthy food choices in the Trust premises. This includes increasing the healthy eating options by limiting snacks with high sugar, fat and salt content; removing promotions on unhealthy foods and snacks and removing foods and drinks high in sugar, salt or fat from till-points.

We held promotional activities throughout nutrition and hydration week in 2019, promoting to colleagues and patients the importance for keeping hydrated and eating the right foods. This saw the introduction of rehydration stations to all ward areas with a workstation to encourage all of our teams to drink more fluids, this was implemented due to staff feedback.



Access to physical activity has improved through extended opening hours at the Action Heart gym at the Russells Hall Hospital site. A number of physical challenges were undertaken during the year including an Easter Bunny Boat race, and Santa cycle plus the very successful Neon Dash which is being repeated in 2019. We have a regular yoga class for staff to attend as well as a cycle group who promote cycling and our cycle to work scheme. We are supporting our cyclists by investing in a more secure cycle storage facility. Work will be continuing during 2019/20 to develop more opportunities to support staff to become healthier including the move towards becoming a smoke free trust in July 2019.

The annual flu vaccine campaign was delivered between October 2018 and February 2019 to all staff, with a particular focus on clinical staff. We are really pleased that for the second year running we exceeded our target of 75 per cent of clinical colleagues receiving the vaccine, showing just how much they want to protect themselves, their patients and their families.

#### Staff sickness rate 2018/19

Q1	3.94%
Q2	4.49%
Q3	5.07%
Q4	4.66%



#### NHS Staff Survey 2018

The National staff survey is conducted annually. From 2018 onwards, the results from questions are grouped to give scores in ten indicators. The indicators scores are based on a score out of 10 for certain questions with the indicator score being the average of those.

The response rate to the 2018 survey among trust staff was 36.5 per cent (2017: 36.1 per cent). The national response rate for acute and community combined trusts was 41.2 per cent.

There are a number of areas where scores have improved when compared to 2017. These include improved satisfaction with recognition and pay, positive experiences of appraisals including the values being discussed and training being identified.

The survey has also highlighted, in addition to our own engagement activities with our staff, a number of areas that we still need to work on this year. These include ensuring that our staff are treated favourably by their colleagues and do not experience discrimination, ensuring we have the right number of staff for people to do their job properly, involving staff and responding to feedback and making sure that the actions we take on health and wellbeing are promoted to our staff.

Scores for each indicator together with that of the survey benchmarking group (Acute and Community Trusts) are presented on page 53.

## Summary national staff survey results 2018

	2018/19		2017/18		2016/17	
	Trust	Benchmarking Group	Trust	Benchmarking Group	Trust	Benchmarking Group
Equality, diversity and inclusion	9.1	9.2	9.1	9.2	9.3	9.3
Health and wellbeing	5.7	5.9	5.9	6.0	6.1	6.1
Immediate managers	6.8	6.8	6.7	6.8	6.8	6.8
Morale	5.7	6.2				
Quality of appraisals	5.5	5.4	5.5	5.3	5.4	5.4
Quality of care	7.1	7.4	7.3	7.5	7.5	7.5
Safe environment – bullying and harassment	7.9	8.1	8.3	8.1	8.4	8.2
Safe environment – violence	9.4	9.5	9.4	9.5	9.5	9.5
Safety culture	6.4	6.7	6.8	6.7	6.7	6.7
Staff engagement	6.7	7	7	7	7.1	7

### Plans for 2019/20

The key findings have identified broad themes for action, and the plans for 2019/20 give us the opportunity to focus on making improvements in areas already identified as important to staff – development, engagement, communication and staffing infrastructure. We have a number of ambitious plans in place for those themes including expanding our in-house development programmes for leaders and managers and developing career pathways.

### Our main areas for focus during 2019/20 are:

- Values and behaviours – develop our behaviour charter to set a clear standard and follow it with delivery of Living the Values training.
- Anti-bullying and harassment – review and relaunch our reporting process and a toolkit to help people resolve issues.
- Health and wellbeing – to actively encourage and promote Rest, Rehydrate and Refuel to all.
- Management and leadership – develop and deliver manager essential training & toolkit for all managers.

- Communication – give more guidance on where to get information and how to share it.

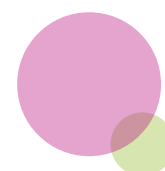
### Staff Friends and Family Test

Throughout the year, we continuously monitor how staff feel about working at the Trust through two questions:

1. How likely are you to recommend the Trust to friends and family if they needed care or treatment?
2. How likely are you to recommend the Trust to friends and family as a place to work?

During 2018/19, more than 1200 staff took the time to tell us what they thought about working at the Trust and these comments and scores are used to inform the strategy for staff engagement alongside the staff survey and 'make it happen' events.

On average 68 per cent (70 per cent 2017/18) of staff would recommend the Trust as a place to work and 83 per cent (84 per cent) of staff would recommend for care and treatment.





### Engaging with our workforce and communities

Good communication and engagement across all our sites is a priority to ensure colleagues, patients and the public know what is happening in the Trust. We have a number of ways to communicate with colleagues depending on the message and who needs to act on it. One way is the front page of our Trust intranet – The Hub – where colleagues based in hospital or out in the community can read about Trust news including health campaigns, finance information, workforce and recruitment updates. Other ways we engage with our colleagues include:

**Team Brief** – a key part of our communication cascade system is Team Brief led by the chief executive each month gives staff the opportunity to ask questions of the executive directors and hear the latest news.

**Healthcare Heroes** – is very popular with both staff and patients who regularly nominate their healthcare heroes each month. The chief executive chooses an individual and team winner each month and surprises them in their area of work. New for 2019 will be a volunteer hero of the month in recognition of the fantastic support our 400 strong team of volunteers provide to our staff and patients.



### Patient Safety and Patient Experience Bulletins

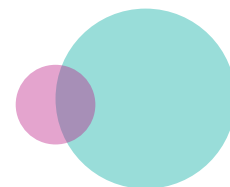
– we continue to engage clinicians to showcase important patient safety and experience information with colleagues across the Trust through our weekly Patient Safety and Experience Bulletins.

**Committed to Excellence** – during 2018/19 we revamped our annual staff awards to include more categories. 20 categories in total give staff, the public and patients the opportunity to nominate people in the 'Oscars' style ceremony, recognising outstanding achievements of staff, volunteers and teams across the trust.

**Make it Happen Events** – Once a quarter throughout 2018/19 we have been out and about with our teams talking to people and gaining more insight as to what it's like to work at The Dudley Group. We take refreshments out and have a chat with as many colleagues as we can to improve our working environment and to help us formulate our people strategy. Ideas and feedback from our colleagues have already been implemented such as the cycle and inclusion groups, rehydration campaign, pre-retirement seminars and yoga classes. We have more activities planned and an action plan as described in the staff survey section.

**Social Media** – We have a strong social media presence with many of our colleagues and patients already following activity on Facebook. During 2018 we have been working on building this presence on Twitter with many colleagues now signing up to follow the Trust and each other. This helps us to communicate up and coming events, announcements, changes and also enables us to share ideas with other organisations. If you would like to follow our activities please follow us on facebook: The Dudley Group NHS Foundation Trust and Dudley Group NHS Charity, Twitter: @DudleyGroupNHS





**Long Service Awards** – We continued to celebrate the dedication and commitment of our longest serving colleagues at our Long Service Awards ceremonies hosted by the chief executive and chairman. Events are held throughout the year and celebrate thousands of years of continuous service for The Dudley Group. Colleagues receive a long service certificate along with a commemorative badge when they reach milestone lengths of service.

**Pre-retirement seminars** – In partnership with Affinity during 2018/19 we have started to deliver regular pre-retirement seminars based on feedback from our teams during our first Make It Happen event. This helps our colleagues plan and prepare for their retirement.

### **Health and safety**

The Trust is committed to providing the highest standards of clinical care to patients and also the safest environments in which to work for our staff. Our Health and Safety department continue to focus on health related issues arising from work activities undertaken and the working environment and ensure our policies and procedures comply with statutory duties.

During 2018/19 the Trust has been concentrating on Fire Safety, the main focus has been the community properties outside of the main Hospital site where our staff and patients are based and seen. The Trust have been working closely with our Community partners to ensure that the areas are suitably and sufficiently protected and managed. This has incorporated fire risk assessments and action plans, evacuation exercises and also additional training.

Moving into 2019/20 the Trust will continue assessments and monitoring in both Fire and Health and Safety to ensure that all areas remain safe for all our staff, patients and visitors.

### **Countering fraud and corruption**

The Trust has continued to ensure its staff are aware of responsibilities towards fraud and bribery and have both a fraud and corruption policy and an anti-bribery policy to support staff and takes its responsibility for countering these issues very seriously.

We have a Local Counter Fraud Service (LCFS) and one of our key aims is to work together to promote an anti-fraud culture. By carrying out fraud presentations and awareness sessions, the Trust can be sure that staff understand that fraud against the NHS will not be tolerated.

### **Trade Union Facility Time**

The Trade Union (Facility Time Publication Requirements) Regulations 2017 took effect on 1st April 2017. This means that the Trust is required to publish certain information on trade union officials and facility time on the Trust website and Government portal.

### **What does facility time cover?**

As part of these new regulations, facility time will cover duties carried out for the trade union or as a union learning representative, for example, accompanying an employee to disciplinary or grievance hearing. It will also cover training received and duties carried out under the Health and Safety at Work Act 1974.

### **Employees in your organisation**

1,501 to 5,000 employees

### **Trade union representatives and full-time equivalents**

Trade union representatives: 4

FTE trade union representatives: 3.98

## Percentage of working hours spent on facility time

Zero per cent of working hours:

0 representatives

1 to 50 per cent of working hours:

3 representatives

51 to 99 per cent of working hours:

0 representatives

100% of working hours: 1 representative

## Total pay bill and facility time costs

Total pay bill: £181,978,314

Total cost of facility time: £32,461

Percentage of pay spent on facility time:

0.02 per cent

## Paid trade union activities

Hours spent on paid facility time: 2077

Hours spent on paid trade union activities: 94.5

Percentage of total paid facility time hours spent on paid TU activities: 4.55 per cent

## Expenditure on consultancy

Details of expenditure on consultancy can be found on page 114 of the accounts.

## Off payroll engagements

There were no off payroll engagement during 2018/19. It is our policy not to use off-payroll engagements.

### Reporting of other compensation schemes - exit packages 2018/19

(Information subject to audit)

Exit package cost band (including any special payment element)

	Number of compulsory redundancies Accounts 31st Mar 2019 2018/19 No.	Cost of compulsory redundancies Accounts 31st Mar 2019 2018/19 £000	Number of other departures agreed Accounts 31st Mar 2019 2018/19 No.	Cost of other departures agreed Accounts 31st Mar 2019 2018/19 £000	Total number of exit packages Accounts 31st Mar 2019 2018/19 No.	Total cost of exit packages Accounts 31st Mar 2019 2018/19 £000	Number of departures where special payments have been made Accounts 31st Mar 2019 2018/19 No.	Cost of special payment element included in exit packages Accounts 31st Mar 2019 2018/19 £000
<£10,000	0	0	7	23	7	23	0	0
£10,000 - £25,000	0	0	2	20	2	20	0	0
£25,001 - £50,000	0	0	0	0	0	0	0	0
£50,001 - £100,000	0	0	0	0	0	0	0	0
£100,001 - £150,000	0	0	0	0	0	0	0	0
£150,001 - £200,000	0	0	0	0	0	0	0	0
>£200,000	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>43</b>	<b>9</b>	<b>43</b>	<b>0</b>	<b>0</b>

### Reporting of other compensation schemes - exit packages 2017/18

(Information subject to audit)

Exit package cost band (including any special payment element)

	Number of compulsory redundancies Accounts 31st Mar 2018 2017/18 No.	Cost of compulsory redundancies Accounts 31st Mar 2018 2017/18 £000	Number of other departures agreed Accounts 31st Mar 2018 2017/18 No.	Cost of other departures agreed Accounts 31st Mar 2018 2017/18 £000	Total number of exit packages Accounts 31st Mar 2018 2017/18 No.	Total cost of exit packages Accounts 31st Mar 2018 2017/18 £000	Number of departures where special payments have been made Accounts 31st Mar 2018 2017/18 No.	Cost of special payment element included in exit packages Accounts 31st Mar 2018 2017/18 £000
<£10,000	0	0	12	22	12	22	0	0
£10,000 - £25,000	0	0	2	37	2	37	0	0
£25,001 - £50,000	0	0	1	30	1	30	0	0
£50,001 - £100,000	0	0	0	0	0	0	0	0
£100,001 - £150,000	0	0	0	0	0	0	0	0
£150,001 - £200,000	0	0	0	0	0	0	0	0
>£200,000	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>15</b>	<b>89</b>	<b>15</b>	<b>89</b>	<b>0</b>	<b>0</b>

### Exit packages: other (non-compulsory) departure payment

(Information subject to audit)

Voluntary redundancies including early retirement contractual costs

Mutually agreed resignations (MARS) contractual costs

Early retirements in the efficiency of the service contractual costs

Contractual payments in lieu of notice

Exit payments following employment tribunals or court orders

Non-contractual payments requiring HMT approval (special severance payments)

	Payments agreed Accounts 31st Mar 2019 2018/19 No.	Total value of agreements Accounts 31st Mar 2019 2018/19 £000	Payments agreed Accounts 31st Mar 2018 2017/18 No.	Total value of agreements Accounts 31st Mar 2018 2017/18 £000
--	---	--	---	--

0

0

0

0

0

0

0

0

0

0

0

0

9

43

15

89

**Total\*\***

of which:

non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months of their annual salary

0

0

0

0

# Sustainability and the environment

The Trust is a significant employer, buyer and provider of services within the region and we recognise our activities have a detrimental effect on the environment. We have a responsibility to our staff, patients and wider community to act in a responsible manner. Our Sustainable Development Management Plan provides an opportunity for us to take significant strides towards lessening our impact through consuming less, emitting less from our buildings, providing sustainable travel opportunities and greener procurement, which will together minimise our impact on the environment.

NHS England has set a target of a 34 per cent reduction in carbon footprint by 2020 and an 80 per cent reduction by 2050 (based on 1990 levels). These targets are for reductions in absolute emissions, so will be even more challenging in the context of growth.

Achieving the Climate Change Act 2008 target of 34 per cent reduction in Carbon Dioxide will present a significant challenge to the Trust and will require changes to the way we manage and operate our infrastructure, how we procure goods and services, how we dispose of our waste and how our staff, patients, suppliers and contractors travel to the Trust. The Trust's estates is owned and managed by our PFI partners. The Trust is now working closely with its PFI partners to identify carbon reduction projects and we expect these programmes of work to have a real impact on our carbon footprint in future years. The Trust will continue to use internal and external performance benchmarking to improve sustainability.

Our strategy is aimed at minimising the impact that our activities have on the environment by reducing the unnecessary and wasteful consumption of energy, by using energy derived from greener or more energy efficient sources and by improving the efficiency of our buildings and the equipment that is used within those buildings. We continue to work to reduce

our use of energy and meet the 34 per cent reduction in carbon emissions target by working closely with Interserve, our PFI partner.

Our PFI partners are in the process of implementing two major changes:

- A new larger CHP system will replace the existing CHP system in 2019 in order to achieve greater fuel efficiencies.
- There is anticipated to be a site-wide replacement of all light bulbs with LED lighting, which will reduce electricity consumption. The Trust has already approved investment to install LED lighting in North Block and our multi-storey car park, both Trust owned assets. Our PFI partner has plans to install LED lighting in each of the three PFI hospitals over the next three years.

The Trust are committed to improving local air quality and improving the health of our community by promoting active travel to our staff, patients and the public who use our services. Our travel carbon footprint has increased for patient and visitor travel, which can be explained by the significant rise in patient contacts the Trust has experienced in recent years. However, our local initiatives have helped to achieve a net reduction in business travel and staff commuting.



We support a culture of active travel to improve staff wellbeing and reduce sickness. Air pollution, accidents and noise caused by cars all cause health problems for our local population, patients, staff and visitors. There are a number of initiatives in place to promote active travel, for example:

- Staff car parking permits are only allocated to members of staff who meet specific eligibility criteria. Members of staff who live close to their place of work and could reasonably use public transport are encouraged to do so, and, in most circumstances, would not be given a parking permit. Instead, staff are encouraged to use public transport, cycle, walk or car share.
- The Trust also participates in a cycle to work scheme which allows staff to take advantage of salary sacrifice savings on income tax and national insurance against the cost of a new bicycle and associated equipment up to a total cost of £1,000. The Trust is also investing in a secure cycle park facility to encourage staff to cycle to work.
- We also maintain a good relationship with local transport providers who regularly visit the Trust's sites to provide free information to staff, patients and visitors about transport routes, service times and special offers on fares.

Our PFI partner, Interserve, also has a number of initiatives in place to reduce the travel carbon footprint. Interserve has 12 vans and a hybrid Toyota Prius for transporting products around Trust sites and to patients. This includes taking medical gasses to surgeries, delivering drugs out to cancer patients' homes and transporting medical equipment to community centres and GP surgeries.

The Trust has taken a new approach to procurement by operating within a shared services function across the Black Country Alliance. This has involved implementing a new inventory management system to optimise efficiency across the three trusts. The new

inventory system helps the Trust realise financial savings by achieving economies of scale across all three Black Country Alliance trusts. This has led to efficiency savings and a reduction in the carbon footprint as only one transaction and delivery method will be required. Further, the automation of processes through procure-to-pay and the data capabilities of the new system have led to a vastly improved procurement function. The Trust has seen a significant improvement in its ranking within the Model Hospital tool. The latest version of the Procurement League table has placed the Trust 47th out of 136 Trusts. Our previous ranking was 100.

The Sustainable Development Management Plan continues to evolve and will be refreshed in 2019/20. The Trust will work with our PFI partners, staff and local community to deliver these actions. In addition the Trust will play a key role in delivering new models of care and implementing major change initiatives through the Black Country Sustainability and Transformation Plan (STP) and the Dudley Multispecialty Community Provider (MCP). Both of these initiatives will help drive sustainability within the Dudley Health Economy.

### Our Volunteers

We are extremely proud to have a strong volunteer service from the local communities. Over 450 people regularly give their time freely to support patients and staff across the Trust.

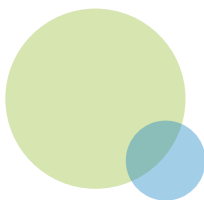
Volunteers are asked to pledge a minimum of 100 hours per year and people range in age from 16 – 83 years old. People join our team of volunteers for a variety of reasons including getting to know others, and make new friends, make a difference to someone, or to gain experience of a busy healthcare environment.

We are always keen to recruit new volunteers and people can apply online via our website: [www.dgft.nhs.uk/volunteering](http://www.dgft.nhs.uk/volunteering) or call the volunteer coordinator on 01384 456111 extension 1887 or [dgft.volunteering@nhs.net](mailto:dgft.volunteering@nhs.net)





# Foundation Trust membership



The membership of the Trust comprises local people and staff who are directly employed by us or our partner organisations. Our minimum age for membership is 14 years; there is no upper age limit. Full details of who is eligible to register as a member of the Trust are in the Trust constitution which is available on our website [www.dgft.nhs.uk](http://www.dgft.nhs.uk). Any public members wishing to come forward as a governor when vacancies arise or vote in governor elections must reside in one of the Trust's constituencies. Staff are automatically included as members within staff group constituencies unless they choose to opt out. During 2017, 2018/19, we continued to promote membership to local communities and the importance of having a voice. We continue to maintain a public membership of more than 13,000. As at the 31st March 2019 the Trust had a total of 13,794 public members.

## Membership

Date	Public
31st March 2016	13,981
31st March 2017	13,875
31st March 2018	13,888
31st March 2019	13,794

The membership strategy continued to focus on developing opportunities to maintain a public membership target of no less than 13,000, and refine recruitment activity to target any identified areas of shortfall. This is important to ensure that our membership continues to reflect the diversity of the communities we serve and the protected characteristics as set out in the Equality Act 2010. The Trust's strategy also included developing more opportunities for engaging with members to gain feedback that we can use to improve patient experience.

Our 'Meet your Experts' health fair events create a unique opportunity to learn about the services provided by the Trust and visit areas not normally seen by the public. Some of the events' younger guests who may be considering a career in healthcare say the events are inspiring. Members continue to engage well with these events.

During 2018/19, we hosted one behind the scenes event at Russells Hall Hospital (in July) and more than 100 members and their guests attended and had a chance to meet staff from some of our specialties including maternity, community adult services and stroke services. There was also an opportunity to meet with the Trusts' governors and learn more about their role and the elections process.

More information about the Trust and the latest news can be found on our website at [www.dgft.nhs.uk](http://www.dgft.nhs.uk)

The members' area of the website also contains information about being a member and the contribution members make to the ongoing success of the organisation.

Members can:

- be involved in shaping the future of healthcare in Dudley by sharing their views,
- vote in governor elections (excluding those living outside of the West Midlands),
- stand for election to represent their constituency (candidates must be minimum 16 years old),
- attend behind the scenes tours and member events,
- participate in public meetings, public and patient involvement panels and focus groups, and
- fundraise for The Dudley Group NHS Charity.



## Membership constituency breakdown report as at 31st March 2019

Public Constituencies	Number of Members
Brierley Hill	1,760
Central Dudley	2,416
Halesowen	1,139
North Dudley	1,370
Outside of the West Midlands	368
Rest of the West Midlands	1,767
South Staffordshire and Wyre Forest	1,162
Stourbridge	1,702
Tipton and Rowley Regis	2,110



Public membership breakdown by age, gender and ethnicity	Number of Members
<b>Age</b>	
0-16 years	4
17-21 years	454
22+ years	12,885
Not stated	451
<b>Gender</b>	
Male	4,558
Female	9,140
Unspecified	96
<b>Ethnicity</b>	
White	11,235
Mixed	403
Asian or Asian British	1,245
Black or Black British	428
Other	71
Not stated	412

Staff Constituencies	Number of Members
Allied Health Professionals and Healthcare Scientists	622*
Medical and Dental	487
Nursing and Midwifery	2,773
Non Clinical	1,020
Partner Organisations	651

\*decrease reflects the number of staff TUPED in October 2018 to The Royal Wolverhampton NHS Trust as part of the Black Country Pathology initiative

# Council of Governors

The Council of Governors was formed on 1st October 2008 and is responsible for holding the non-executive directors to account for the performance of the Board of Directors. The majority of the Trust's governors are elected through the public membership to make up the Council of Governors which consists of 25 governors in total:

<b>Public elected</b>	13 governors
<b>Staff elected</b>	8 governors
<b>Appointed from key stakeholders</b>	4 governors

Tables summarising the Council of Governors and the constituencies they represent can be found on pages 56 and 57.

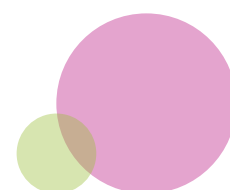
The Board of Directors continues to work closely with the Council of Governors through regular attendance at both full Council of Governor meetings and the committees of the council. Both non-executive and executive directors are assigned as nominated attendees at the Council of Governors sub-committees. This provides opportunities for detailed discussion and debate on strategy, performance, quality and patient experience and enables governors to see non-executive directors function. Governors regularly attend public Board of Directors meetings.

The Board of Directors is accountable to the Council of Governors ensuring it meets its Terms of Authorisation. A Register of Interests confirming individual declarations for each governor is maintained by the Trust and is available on request by calling (01384) 321124 or emailing [dgft.foundationmembers@nhs.net](mailto:dgft.foundationmembers@nhs.net).

All the Trust's governors comply with the 'fit and proper' persons test as described in the Trust's provider licence. The conditions are incorporated into the Foundation Trust Constitution.

The Council of Governors has the following key responsibilities:

- appointing and/or removing the chair, including appraisal and performance management,
- appointing and/or removing the non-executive directors,
- appointing the external auditors,
- advising the Board of Directors on the views of members and the wider community,
- ensuring the Board of Directors complies with its Terms of Authorisation and operates within that licence,
- recruiting and engaging with members,
- advising on strategic direction,
- receiving the Annual Accounts, any report of the auditor on them, and the Annual Report at the Annual Members' Meeting,
- approving significant transactions which exceed 25 per cent by value of Trust assets, Trust income or increase/reduction to capital value,
- approving any structural change to the organisation worth more than 10 per cent of the organisation's assets, revenue or capital by way of merger, acquisition, separation or dissolution,
- deciding whether the level of private patient income would significantly interfere with the Trust's principal purpose of providing NHS services, and
- approving amendments to the Trust's constitution.



Where an item is reserved for both Council of Governors and Board of Directors approval, for example a change to the Trust's Constitution, then this change would not be made if either party did not approve the recommendation put before them. In practice, a constructive and close working arrangement is maintained between the Council of Governors and board through the chairperson and lead governor.

The Trust continues to work closely with the Council of Governors to further develop the governor role to reflect the requirements of the Health and Social Care Act and other best practice and guidance. Ongoing training and development is provided by the Trust allowing experts from within and outside the Trust to work with the Council of Governors to identify key aspects of their role. This includes how they influence strategy within the Trust, how they undertake their secondary governance duties and how they will engage with members and the wider community so that their views and opinions can be heard.

### Council of Governor committees

The Council of Governors has established the following committees:

- Governor Development Group (chairperson Fred Allen)
- Appointments & Remuneration Committee (chairperson Fred Allen)
- Experience and Engagement Committee (chairperson Karen Phillips)
- Strategy Committee (chairperson Lydia Ellis April – December 2018, Dr Richard Gee January – March 2019 )
- Governance Committee (chairperson Nicola Piggott)

### Council of Governors membership and meetings 2018/19

The Council of Governors meet a minimum of four times per year. Meeting papers are published on our website at [www.dgft.nhs.uk](http://www.dgft.nhs.uk) and Trust members and the wider public are welcome to attend and observe.

In 2018/19, the full Council of Governors met on five occasions (Public) including the Annual Members' Meeting held in July 2017.

### Public Governors

Fred Allen (re-elected Dec '18)	Central Dudley	5/5
Terry Brearley (resigned May '18)	Brierley Hill	0/0
Arthur Brown	Stourbridge	5/5
Joanna Davies Njie (elected December '18)	Stourbridge	2/5
Lydia Ellis (end of term of office December '18)	Stourbridge	2/3
Sandra Harris	Dudley Central	5/5
Mike Heaton (elected December '18)	Brierley Hill	2/2
Viv Kerry	Halesowen	5/5
Natalie Neale	Brierley Hill	3/5
Rex Parmley	Halesowen	4/5
Yvonne Peers	North Dudley	5/5
Nicola Piggott	North Dudley	2/5
Pat Price (re-elected December '18)	Rest of the West Midlands	3/5
Peter Siviter	South Staffordshire & Wyre Forest	4/5
Farzana Zaidi	Tipton & Rowley Regis	4/5

## Staff Governors

Bill Dainty	Nursing & Midwifery	2/5
Michelle Lawrence	Nursing & Midwifery	3/5
Ann Marsh	AHP & HCS	4/5
Margaret Parker	Nursing & Midwifery	4/5
Karen Phillips	Non Clinical	3/5
Edith Rollinson	Nursing & Midwifery	5/5
Vacant	Medical & Dental	-
Alan Walker (re-elected March '18 with effect from June '18)	Partner Organisations	1/5

## Appointed Governors

Adam Aston (appointed December '15) (stood down June 18)	Dudley Metropolitan Borough Council	0/1
Colin Elcock (appointed August '18) (stood down end of October '18)	Dudley Metropolitan Borough Council	0/1
Richard Gee	Dudley CCG	3/5
Anthea Gregory	University of Wolverhampton	3/5
Mary Turner	Dudley CVS & Trust volunteers	3/5
Steve Waltho (appointed November '18)	Dudley Metropolitan Borough Council	0/2

Figures show number of meetings attended that were held during the term of office. The Council of Governors monitors attendance at full council meetings and committee meetings as agreed under the governors' code of conduct. In all instances above where governors have maintained less than the required attendance, the Council of Governors is satisfied that there was reasonable cause for non-attendance.



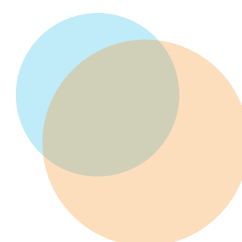
Full Council of Governor meetings are regularly attended by key clinicians and senior staff from across the Trust providing presentations and question and answer sessions to help governors understand how the organisation works.

In 2018/19, members of the Board of Directors attended the following full Council of Governors meetings.

### Executive and non-executive director attendance at full Council of Governors meetings 2018/19\*

Board of Directors		
Ann Becke	Non-executive director	0/2
Julian Atkins	Non-executive director	4/5
Jonathan Fellows (left July '18)	Non-executive director	0/1
Gilbert George (joined November '18)	Interim director of governance/ board secretary	2/2
Jonathan Hodgkin (joined April '18)	Non-executive director	0/5
Catherine Holland	Non-executive director	0/3
Julian Hobbs (joined Oct '17)	Interim medical director	1/5
Tom Jackson (appointed Feb '18)	Director of finance	3/5
Siobhan Jordan (left Jan '19)	Chief nurse	3/4
Karen Kelly	Chief operating officer	4/5
Andrew McMenemy	Director of workforce	3/5
Richard Miner	Non-executive director	2/5
Jenni Ord	Chairperson	5/5
Glen Palethorpe (left the Trust November '18)	Director of governance/ board secretary	3/3
Mary Sexton	Interim chief nurse	1/1
Mark Stanton	Chief information officer	1/5
Diane Wake	Chief executive	5/5
Doug Wulff (stepped down Feb '19)	Non-executive director	1/4
Richard Welford (stepped down Mar '19)	Non-executive director	1/5
Natalie Younes	Director of strategy & performance	1/5

\*Board members are not required to attend all full Council of Governors meetings unless invited to do so to present on a specific topic. Non-executive and executive directors also attended sub-committees of the Council of Governors. During the year, the Council has not exercised its right under paragraph 10C of schedule 7 of the NHS Act 2006 to require a director to attend a full Council of Governors meeting.





## Governor resignations, elections and re-appointments

During 2018/19, elections were held for vacancies in the following constituencies:

- **Public:** Brierley Hill, Central Dudley, Rest of the West Midlands and Stourbridge
- **Staff:** Medical & Dental

In accordance with the Trust's Constitution, we use the method of single transferable voting for all elections. This system allows voters to rank candidates in order of preference and, after candidates have either been elected or eliminated, unused votes are transferred according to the voter's next stated preference.

During the year, a total of eight members put themselves forward as nominees for the five vacancies arising with more than 10 per cent returning votes in contested elections. Electoral Reform Services was appointed to oversee the election process which returned the following governors for a three-year term effective from December 2018:

**Public:** Central Dudley, Fred Allen

**Public:** Brierley Hill, Mike Heaton

**Public:** Stourbridge, Joanna Davies-Njie

**Public:** Rest of the West Midlands, Pat Price

**Staff:** Medical and Dental, no valid nomination received

## Governors reaching end of term of office or resigning during 2018/19

Cllr Adam Aston (appointed December '15)  
(stood down June 18)

Cllr Colin Elcock (appointed August '18)  
(stood down end of Oct '18)

Fred Allen (re-elected Dec '18, 3rd term)

Terry Brearley (resigned May '18)

Lydia Ellis (end of term of office December '18)

Pat Price (re-elected December '18, 2nd term)

Alan Walker (re-elected March '18 with  
effect from June '18)

Appointed: Dudley Metropolitan Borough  
Council

Appointed: Dudley Metropolitan Borough  
Council

Public: Central Dudley

Public: Brierley Hill

Public: Stourbridge

Rest of the West Midlands

Partner Organisations

## Council of Governors review 2018/19

Since authorisation, our Council of Governors has regularly conducted a review of its effectiveness in discharging its statutory and other duties. As a result of the 2018/19 effectiveness review activity conducted during December and January 2018, an action plan was developed to review, amongst other things: governor training and induction, governor 'out there' resources and governance arrangements in respect of the council's responsibility to deliver its statutory duties.

Throughout the year, governors have continued to participate in Trust activities that seek to assure and improve standards of quality and patient experience.

Governors have joined senior Trust staff to complete Quality and Safety Reviews conducted across clinical and treatment areas of the Trust. Two governors are members of the Trust's Patient Experience Group and the Quality and Safety Group, both of which report to the Clinical Quality, Safety and Patient Experience Committee of the Board of Directors. Governors also attend the Drugs and Therapeutic Group which reports to the Trust's Medicines Management Group. Governors are active members of the Clinical Education Charity. During the year, Governors have continued to participate in the newly established mini-PLACE audits and also join the national PLACE audit as patient assessors.

## Governor engagement with Trust members and local communities

The Trust supports governors in raising public and staff awareness of the work of the Trust and their role within their constituencies. The 'Out There' initiative continues to support governors to undertake their role in finding out what people think about the Trust and feedback their views to the Board of Directors. During the year, Council of Governor members have actively supported events

in and around the Dudley Borough with regular attendance at local health economy discussion forums and events including the Dudley Health Care Forum.

During 2018/19, governors continued to reach out into their constituencies and have attended a number of community and support groups such as GP patient panels and participation groups. Examples are given below:

### Events attended in 2018/19

August 2018	Dudley over 50s club
August 2018	New Testament Church Dudley
October 2018	Dudley Improvement Practice Values Stream Analysis week
November 2018	Rheumatoid Arthritis Group
March 2018	Governors 'out there' stand at RHH main reception

## Lead governor

The lead governor role is designed to assist the Council of Governors where it may be considered inappropriate for the chairperson, or her deputy, to deal with a particular matter. The lead governor will also provide an independent link between the Council of Governors and the Board of Directors. Mr Fred Allen has held the role of lead governor for the year 2018/19.

## How to contact a governor or director

There are several ways Trust members or members of the public can contact either their governor or a member of the Board of Directors:

- at Council of Governors meetings in public,
- at Board of Directors meetings in public,
- at the Annual Members' Meeting,
- at members events, and
- via the Foundation Trust office on email or by phone.

For dates and times of these meetings and other members events, please visit the

members section on the Trust website at [www.dgft.nhs.uk](http://www.dgft.nhs.uk) or contact the Foundation Trust office:

Email [dgft.foundationmembers@nhs.net](mailto:dgft.foundationmembers@nhs.net)  
Telephone (01384) 321124

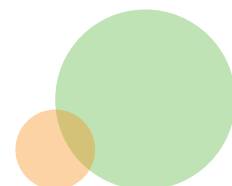
Write Freepost RSEH-CUZB-SJEG, 2nd Floor South Block, Russells Hall Hospital, Pensnett Road, Dudley, DY1 2HQ

Several governors are also happy to be contacted directly and their details can be obtained using the details above.

## NHS Foundation Trust Code of Governance disclosures

- The Trust's Council of Governors, please see pages 61 to 66.
- The Trust's Board of Directors please see pages 29 to 39.
- Remuneration and nominations committee see pages 40 to 42.
- Audit committee see page 40.
- The Foundation Trust's Membership see pages 59 to 60.

# Single Oversight Framework



NHS Improvement's Single Oversight Framework provides the framework for overseeing providers and identifying potential support needs. The framework looks at five themes:

- Quality of care
- Finance and use of resources
- Operational performance
- Strategic change
- Leadership and improvement capability (well-led)

Based on information from these themes, providers are segmented from 1 to 4, where 4 reflects providers receiving the most support, and 1 reflects providers with maximum autonomy. A foundation trust will only be in segments 3 or 4 where it has been found to be in breach or suspected breach of its licence.

## Segmentation

The Trust is in breach of its licence relating to quality and governance as a result of the CQC section 31 notices placed on the Trust. Following the inadequate rating of our Emergency Department, we have had the NHSI Emergency Care Intensive Support Team (ECIST) working alongside our Emergency Department to support the quality improvement plan. The team in ED continue

to use the quality improvement techniques. During the year we have received support from NHS Improvement through an improvement director for a few months in 2018 and six weeks in 2019, who helped to respond to the actions outlined in the CQC inspection reports.

The Trust has been assigned a segmentation rating of 3, as at 31st March 2019; segmentation of 3 or 4 would indicate a Trust is or is likely to be in breach of its licence. For more information on how the Trust reviews its governance, risk management and systems of internal control see the Annual Governance Statement at pages 68 to 79.

This segmentation information is the Trust's position as at 31st March 2019. Current segmentation information for NHS trusts and foundation trusts is published on the NHS Improvement website.

## Finance and use of resources

The finance and use of resources theme is based on the scoring of five measures from 1 to 4, where 1 reflects the strongest performance. These scores are then weighted to give an overall score. Given that finance and use of resources is only one of the five themes feeding into the Single Oversight Framework, the segmentation of the Trust disclosed above might not be the same as the overall finance score here.

Area	Metric	2018/19 Scores				2017/18 Scores			
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Financial sustainability	Capital service capacity	4	4	4	4	4	4	3	3
	Liquidity	3	3	3	3	2	1	1	1
Financial efficiency	I & E margin	3	2	3	4	4	3	1	1
Financial controls	Distance from financial plan	4	2	2	2	4	4	1	1
	Agency spend	4	4	4	3	4	4	4	4
Overall scoring		4	3	3	3	4	3	3	3

# Annual Governance Statement

## 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 The Dudley Group NHS Foundation Trust; to evaluate the likelihood of those risks being realised and the impact should they be realised; to manage them efficiently, effectively and economically. The system of internal control has been in place in The Dudley Group NHS Foundation Trust for the year ended 31st March 2019 and up to the date of approval of the annual report and accounts.

## Capacity to handle risk

The director of governance/governance secretary has board level responsibility for the oversight of the Trust's risk management policies and processes. The Board of Directors has established a Risk and Assurance Group, which meets monthly to review corporate and directorate specific risks and associated assurances and mitigation plans and oversees

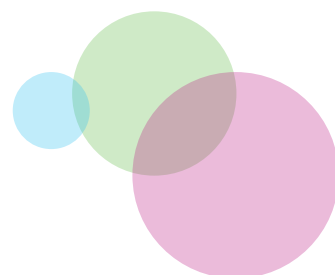
the effective operation of the Trust's risk register. It is in place to challenge the levels of assurance throughout the organisation and to ensure the effective management and mitigation of risks. Additionally, each division of the Trust, through their divisional governance framework, reports to the Risk and Assurance Group on their management of risks at an operational level.

The Trust has a comprehensive induction and training programme, supplemented by e-learning training packages and additional learning opportunities for staff. Collectively, these cover a wide range of governance and risk management topics for both clinical and non-clinical staff in all disciplines and at all levels in the organisation.

Additionally, training is available from the corporate governance team on aspects of the wider risk management and governance agenda.

## The risk and control framework

The Board of Directors provides leadership on the management of risks, determining the risk appetite for the organisation and ensuring that the approach to risk management is consistently applied. Through the board Assurance Framework the board determines the total risk appetite the Trust is prepared to accept in the delivery of its strategic objectives. The board takes its assurance from the Risk and Assurance Group which reports into the Audit Committee and its board committees. This incorporates the controls in place to manage the identified risks to their determined target score and the monitoring of any required actions where the risk exceeds the board's appetite for risk in that area.







The Trust's Risk Management Strategy and Policy provides guidance on the identification and assessment of risk and on the development and implementation of action plans. Risk identification is service driven and divisions undertake continuous risk assessments to maintain their risk registers and to implement agreed action plans. Risks are assessed by using a 5x5 risk matrix where the total score is an indicator as to the seriousness of the risk. Action plans to address or manage risks are recorded in the risk register and managed at divisional and/or board level. Regular reports to the Risk and Assurance Group confirm the progress made in managing any identified risks.

Each level of management, including the board, reviews the risks and controls for which it is responsible. The board and its committees monitor the progress against actions to minimise or mitigate risks in accordance with the Risk Management Strategy. In 2018/19 each board committee undertook to review in more detail a sample of risks where it is the allocated oversight committee. Each committee confirmed the outcome of its reviews within its report to the board. This information flow complimented the reviews undertaken by the Audit Committee on the board corporate risk and assurance frameworks.

Papers received at the Board of Directors meetings and at board committee meetings identify the risks to the achievement of Trust objectives and their link to the risk register. The Trust uses a dedicated monitoring system. This records and monitors all risks across the organisation including the current and targeted mitigated risk scores and progress against the identified action plans where the risk is above its target score. Active risk management forms part of the divisional governance framework with the operational risk registers being a standing item on the Risk and Assurance Group's agenda. Positive assurance to date confirms the effectiveness of the management and control of these

identified risks. Action plans are in place to address any perceived gaps in control or assurance that arise during the year.

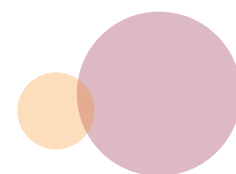
The reporting framework requires risks to be identified, on both board and committee front summary sheets that accompany all reports submitted, providing an ongoing record of emerging issues which allow the link back to the Board Assurance Framework.

The Board Assurance Framework identifies the key risks to the achievement of the Trust's objectives and the independent assurance mechanisms that report on the effectiveness of the Trust's system of internal control in those areas. It supports this Annual Governance Statement and is informed by partnership working across the Black Country Sustainability and Transformation Plan footprint, the local health economy via the Black Country Alliance and through working with the Dudley Clinical Commissioning Group (CCG) especially in respect of the Dudley New Care Models project, Council of Governors, community wide safeguarding boards and other stakeholders. The Board Assurance Framework focuses on those key risks to achievement of the Trust's objectives, below are the significant issues that have been tracked and reported to the board and the degree of risk remaining at the end of the year:

The Trust faced the following major risks during the course of the year, including clinical and longer term risks:

- systemic failures in the quality of care,
- inability to deliver the Trust Quality Priority,
- failure to deliver the Care Quality Commission (CQC) post inspection actions plans and improve the CQC inspection rating,
- failure to develop or deliver long term financial sustainability plans for the Trust and with its system partners, and
- the Trust's reputation for high quality, safe and effective care is being damaged.





The Trust IT Department (Terafirma) is ISO27001 accredited, holds Cyber Essentials (CE) certification and is already working towards CE+. Our approach to delivering data security is defined in the Board of Directors approved, Cyber Security Strategy, which identifies the key data security and protection risks as; supply chain compromise (SCC), business email compromise (BEC) and the Internet of Things (IoT).

The Trust has implemented sophisticated controls including data leak protection (DLP), advanced threat protection (ATP), geo referencing and secure domain firewalling to address the key data security risks. Process assurances and delivery plans are underway to further enhance our controls, aligning to the Network and Security Systems (NIS) Directive.

The Trust is practising good data security against the National Data Guardians 10 data security standards and the Trust and TeraFirma complete annual Data Security Protection (Toolkit) to provide assurance. Board assurance is provided through the Caldicott and Information Governance Group (CIGG), the DPO, SIRO, CIO and Caldicott Guardian are core members of this group.

The Trust has also established a number of arrangements to monitor quality governance and improvements in quality. These include the use of performance dashboards, a clinical audit programme, the review and monitoring of Nursing Care Indicators and the robust monitoring against local and national targets for quality measures including healthcare associated infections (HCAI), pressure ulcers and falls, all of these linking to the Trust's own Quality Priorities.

The Trust has further developed its integrated performance report during 2018/19 which sees a consistent base set of data being used to report to each of the committees of board - workforce, finance and performance and clinical quality, safety and patient experience as well as operationally to the divisions and the executive. Complementing this reporting

has been the enhancement of the quality dashboards for each ward providing visual feedback on their quality local metric delivery for staff and patients.

Nursing Care Indicator audits, along with the undertaking of matrons' observation audits, measure the quality of care given to patients and the monthly audits of key nursing interventions and associated documentation, are published, monitored and reported to the Board of Directors by the chief nurse. This is supported by the implementation of real-time surveys, capturing the views of patients and using these to make improvements. The Trust continues to monitor the hospital standardised mortality ratio (HSMR) to ensure it is consistent with national levels.

Regular reports on the progress against key Quality Priorities provide assurance that these are actively managed and progressed at an operational level. Additionally, matrons and divisional leaders attend the Board of Directors meetings on rotation to discuss quality issues and the operational risks to the achievement of their objectives. Internal audit provides an independent opinion on the adequacy of the arrangements for ensuring compliance with the Care Quality Commission Regulatory Standards.

Information risks are managed and controlled through the Trust's established risk management process.

The Trust has a Caldicott and Information Governance Group (CIGG), which reports to the Audit Committee, whose remit is to review and monitor all risks and incidents relating to data security and governance. The Trust's Caldicott Guardian (medical director), SIRO (director of finance and information) and interim director of governance/board secretary with board level responsibility for information governance sit on the CIGG.

The Trust is registered with the Information Commissioner's Office registration number Z8909702.

As of April 2018 the 2018/19 Information Governance Toolkit changed to the Data Security and Protection Toolkit. The new Toolkit is an online self-assessment tool that allows organisations to measure their performance against the National Data Guardian's 10 data security standards.

All organisations that have access to NHS patient data and systems must use this Toolkit to provide assurance that they are practicing good data security and that personal information is handled correctly. There are 40 Assertions (32 of which are mandatory and eight non-mandatory) within the Data Security and Protection Toolkit requiring 100 mandatory pieces of evidence.

As this is the first year of the new Data Security and Protection Toolkit organisations will be allowed to publish a Toolkit if they are approaching a level of 'Standards Met in all but a few areas'. Organisations will be required to provide an improvement plan to NHS Digital on how they plan to bridge the gap between their current position and meeting the Toolkit 'Standards Met'.

The Trust provided its improvement plan to NHS Digital on 29th March 2019 and received assurance back from Senior Information Assurance, Data Security Centre, NHS Digital that the Trust's improvement plan placed it in a position to declare it was approaching a level of 'Standards Met' with three actions to be completed by 31st May 2019. These include:

- **Sharing Agreement Register**

Completion of an overarching register to show the detail held in our individual data sharing and processing agreements. The register is to be approved by the SIRO and Caldicott and Information Governance Group.

- **Contract**

Creation of a Contract, including security clauses, for our medical devices disposal processor.

- **Training**

Improve attainment figures for mandatory Data Security Awareness Level 1 training from 80.61 per cent to 95 per cent by May 2019.

The toolkit is important evidence for the key line of enquiry on information in a CQC Well-Led inspection. In accordance with Schedule 7 of the National Health Service Act 2006 (as amended by the Health and Social Care Act 2012) only directors may be members of the board committees. All committees of the board are chaired by non-executive directors. The board has established seven committees each with clear terms of reference which are reviewed annually to ensure they remain appropriate to support the board. Following a committee effectiveness review a number of the board committees are undertaking a review of their terms of reference.

Each committee chair provides a formal summary of key issues arising from the committee to the full Board of Directors meeting. This summary report provides information on the assurance received at the committee which supports the Trust's assurance framework and performance reporting ultimately received by the board.



During the year the Trust has been embedding actions to improve the effectiveness of both the board and the divisional management structure based on the external board effectiveness review. This also includes the structured clinical leadership development programme linked to the development of the Trust's clinical strategy and drive to become a more clinically led organisation.

The Trust informs and engages with its key stakeholders in relation to risk through a number of forums. This includes a regular joint contract/clinical quality review meeting (CQRM) with the Trust's host commissioners and the sharing of performance reports including key risks with the Trust's Council of Governors. Key stakeholders include Dudley CCG, our PFI partner Summit Healthcare (Dudley) Ltd, the Council of Governors, the FT members, patient groups, patients, the local community and the Local Authority Select Committee on Health and Adult Social Care. Where major service re-design is initiated patients and their views are taken into account, to understand how changes may affect them. An example of this, was in respect of the Trust's day case transformation programme where improvements including the extending of the opening times of the unit were based on the views of our patients and their subsequent feedback to these changes has been positive.

During 2018/19, internal auditors and the board review of the Assurance Framework and supporting governance processes had identified some gaps in control which resulted in specific action plans being drawn up with their progress reported to, and monitored by, the Audit Committee.

Whilst not significant issues in themselves, internal audit identified gaps in some specific control areas in the following areas: bank and agency; Cost Improvement Programme; safeguarding; risk management – Board Assurance Framework; data security –

consultant job planning; senior medical leave; CQUIN – sepsis; data quality – sepsis; and the Quality Dashboard.

Internal audit also undertook follow up work and in all the areas outlined above noted good progress had been made; none of the gaps had impacted on the final delivery of the Trust's stated objectives.

The head of internal audit opinion includes an assessment of the Trust's risk management processes and control framework.

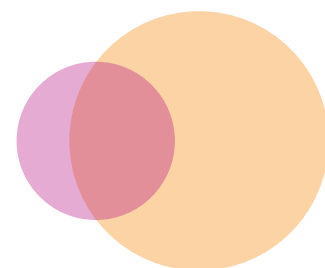
The workforce strategy identifies the Trust's workforce priorities over the next five years with alignment directly with the Trust strategy 2019-2021 (Care Better Every Day) as well as consideration of the NHS 10 year plan. The Strategy supports our staff to achieve the six strategic objectives within our Trust Strategy underpinned by our values of Care, Respect and Responsibility.

### Workforce safeguards

The Trust is working towards full compliance with developing workforce safeguards recommendations as referenced below.

The workforce strategy provides four strategic workforce priorities that are underpinned by strategic aims as well as initiatives to support these aims and measures of success. The strategic workforce aims are: diversity and inclusion; improvement and learning culture; staff wellbeing and workforce capacity.

The aims to support each of the strategic priority areas will be overseen by the Workforce and Staff Engagement Group that reports to the Finance and Performance Committee of the board to provide assurance that priorities are being met.



The main areas of workforce performance including absence rates, vacancy rates, retention, agency spend, appraisal and mandatory training compliance is reported within the specific Workforce Key Performance Indicator Report to Workforce and Staff Engagement Group as well as being part of the Trust Integrated Performance Report that is provided monthly to board.

The Trust collates and reviews data every month for a range of workforce metrics, quality and outcomes indicators and productivity measures, this enables the Trust to undertake safe workforce planning.

Further work is to be undertaken to develop a multi-disciplinary approach (including quality, finance, performance, operations and HR/training) to the development of the annual workforce plan in order to provide board assurance that these are robust.

The Foundation Trust has published an up-to-date register of interests for decision-making staff within the past 12 months, as required by the 'Managing Conflicts of Interest in the NHS' guidance.

As an employer with staff entitled to be members of the NHS Pension scheme, control measures are in place to ensure all employer obligations contained within the scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments into the scheme are in accordance with the scheme rules and that member pension scheme records are accurately updated in accordance with the timescales detailed in the regulations.

Control measures are in place to ensure that all of the organisation's obligations under equality and diversity and human rights legislation are complied with.

Further information on staff matters is available in the staff section of the Annual Report.

### **Failure to remain financially sustainable in 2018/19 and beyond**

The board recognised the level of risk within its developed financial plan especially in respect of the set control total and its link to the Sustainability and Transformation Partnership funding. The board has, through the Finance and Performance Committee, received regular reports on the Trust's financial position, and has continued to assess the risk for both the current year and future years. The board in approving its outline 2019/20 financial plan has recognised there remains a high degree of financial risk associated with the delivery of its objectives. The board has carried out a going concern test.

### **Never event**

The Trust experienced no never events in 2018/19.

### **Sustainable development management plan**

Working with its PFI provider, the Foundation Trust has undertaken risk assessments and has a sustainable development management plan in place which takes account of UK Climate Projections 2018 (UKCP18). The Trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with. You can read more about the work we do to provide our services in a sustainable way on pages 57 to 59.

### **Brexit**

If there's no agreement when the UK leaves the EU, the UK would no longer be part of the EU medicines and medical devices regulatory networks. The UK would have to have its own processes and systems to manage UK human medicines and devices regulatory activities.

The Trust has developed a strategy which risk assesses threats from a no deal EU exit. In addition to UK Government's preparations for a no deal scenario, local business continuity planning has been underway alongside the Trust Brexit planning which includes resilience planning meetings and implications for pharmacy meetings with action plans.

The board has been kept abreast at regular interval of Brexit developments.



## Care Quality Commission

The CQC served four Section 31 notices during the year on the Trust. These placed certain conditions on the Trust's registration as a service provider. The Trust reports to the CQC and NHSI on a weekly basis on key performance indicators that relate to these conditions.

The CQC inspected eight core services and the well led domain of the Trust from 15th January – 15th February 2019. The core service inspection and well led report has yet to be finalised and published at the time of signing the Annual Governance Statement.

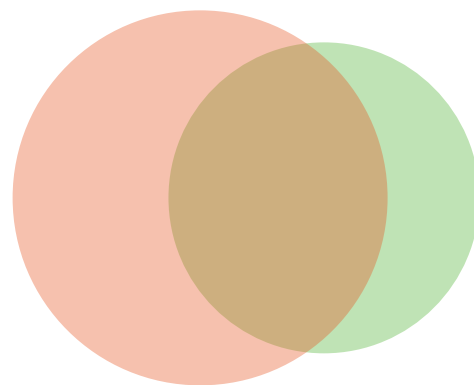
In order to support the board's continued review of the Trust's compliance with the CQC's requirements, management has continued with their regular internal quality and safety reviews. These involve a multi-disciplinary team, including members of our Council of Governors and representatives of the Dudley Clinical Commissioning Group's Quality Team, visiting clinical areas on an unannounced basis to observe clinical practices, question staff on their knowledge and compliance with Trust policies and to secure immediate patient feedback on their experiences. The outcomes of these reviews are reported back to the clinical area on the same day allowing them to continue with identified good practice and make any enhancements swiftly. The outcomes of these reviews are also shared across the Trust to allow good best practice to be shared, enabling each area to learn from each other which is further assisted by having within the multi-disciplinary team, peer matrons and clinicians from other wards.

## Independent investigations

### Capsticks Report

A group of staff via a letter raised concerns with the Trust chairperson and regulators alleging poor communication and lack of engagement with clinical staff and alleged bullying and intimidation by the leadership team. Capsticks independent legal firm was commissioned to conduct an investigation and the report of that investigation was received and published in full in April 2019. The Capsticks report concluded "We do not conclude that there is a systemic culture of bullying and intimidation by the Trust leadership."

The Board of Directors established a sub-committee chaired by non-executive director Jonathan Hodgkin to confirm publication of the report and develop the action plan which has three key areas of focus: engagement across the Trust and in particular between senior leadership and clinical staff, strengthening our freedom to speak systems and further developing clinical leadership within governance structures.





### Bewick Report

The Trust commissioned an independent review of deaths occurring within Emergency Department (ED) in which 229 case notes were reviewed using the Royal College of Physicians (RCP) structured judgement review (SJR) tool.

The review was carried out by iQ4U, led by Professor Mike Bewick, and has looked at the care records of 229 patients who sadly died in our Emergency Department between April 2016 and June 2018. The review team also observed the Emergency Department including interviews with staff.

The review team found that 50 per cent of patients who died did so within the first hour of arrival within the department and often after prolonged attempts at resuscitation. Many of these patients will have been at the end of life and beyond medical help.

The recommendations made in the report are very important and build on the improvement work already underway to ensure we provide the very best and safest of care to all of our patients.

### Review of economy, efficiency and effectiveness of the use of resources

The Trust produces detailed annual plans incorporating both service and quality initiatives reflecting service, operational requirements and financial targets in respect of income and expenditure and capital investments. These include the Trust's plan for improving productivity and efficiency in order to minimise income losses, meet the national efficiency targets applied to all NHS providers and fund local investment proposals. The Annual Plan incorporates projections for the next two years which facilitates forward planning in the Trust. Prior to submission to NHS Improvement, financial plans are approved by the Board of Directors, supported by the Finance and Performance Committee.

The in-year resource utilisation is monitored by the board and its committees via a series of detailed reports covering finance, activity, capacity, human resource management and risk. Clinical risk assessments are conducted on individual savings proposals that may impact on the provision or delivery of clinical services. The Trust has continued to face a financially challenging year in 2018/19 and recognises that this will continue into 2019/20. The Trust continues with its Transformation Programme to ensure that it remains financially sustainable going forward and underpins the Trust's longer term financial strategy.

Performance review meetings assess each division's performance across a full range of financial and quality matrices which, in turn, forms the basis of the monthly integrated performance report to the Finance and Performance Committee. Monthly reports are submitted to NHS Improvement from which the Trust's risk rating is calculated and a relevant NHS Improvement Single Oversight Framework segmentation is assigned. The Trust has been assigned a segmentation rating of 3, as at 31st March 2019; segmentation of 3 or 4 would indicate a trust is in actual or suspected breach of its licence.



The key processes embedded within the Trust to ensure that resources are used economically, efficiently and effectively, centre around a robust budget setting and control system which includes activity related budgets and periodic reviews during the year which are considered by executive directors and the Board of Directors. The budgetary control system is complemented by Standing Financial Instructions, a Scheme of Delegation and Financial Approval Limits. This process enables regular review of financial performance by highlighting areas of concern via variance analysis. The Finance and Performance Committee also receive a monthly report showing the Trust's performance against CQUIN, NHS Improvement and CQC targets. The external auditors also give comment upon this aspect of the Trust business.

As accounting officer, I have overall accountability for delivery of the Annual Plan and I am supported by the executive directors with delegated accountability and responsibility for delivery of specific targets and performance objectives. These are formally reviewed and monitored monthly by the Board of Directors and its committees. Independent assurance on the use of resources is provided through the Trust's internal audit programme, Audit Committee and external agencies such as NHS Improvement, external audit and the CQC.

### **Information governance – the General Data Protection Regulation (GDPR)**

The General Data Protection Regulation (GDPR), as implemented by the UK Data Protection Act 2018, came into UK law on 25th May 2018. It introduced a duty on all organisations to report certain types of personal data breach to the relevant supervisory authority. The Security of Network and Information Systems Directive ("NIS Directive") also requires reporting of relevant incidents to the Department of Health and Social Care (DHSC) as the competent authority from 10th May 2018.

An organisation must notify a breach of personal data within 72 hours. If the breach is likely to result in a high risk to the rights and freedoms of individuals, organisations must also inform those individuals without undue delay. Those breaches that also fulfil the criteria of a NIS notifiable incident will be forwarded to the DHSC where the Secretary of State is the competent authority for the implementation of the NIS directive in the health and social care sector. The Information Commissioner remains the national regulatory authority for the NIS directive.

The Trust has not been required to report a breach of personal data to the National Regulatory Authority for the period 1st April 2018 to 31st March 2019.

### **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. NHS Improvement 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.

The Board of Directors has taken the following measures to ensure the Quality Report presents a balanced view and has appropriate controls to ensure the accuracy of data.

### **Governance and leadership**

The executive and non-executive directors have a collective responsibility as a board to ensure that the governance arrangements supporting the Quality Accounts and Report provide adequate and appropriate information and assurances relating to the Trust's quality objectives. Board sponsors are nominated for all quality priorities providing visible board leadership of specific quality initiatives.

Whilst the chief executive has overall responsibility for the quality of care provided to patients, the implementation and co-ordination of the quality framework is delegated to both the chief nurse and medical director. They have joint responsibility for reporting to the Board of Directors on the development and progress of the quality framework, clinical framework and clinical mismanagement and for ensuring that the Quality Improvement Strategy is implemented and evaluated effectively.

### Policies

High quality organisational documentation is an essential tool of effective governance which will help the Trust achieve its strategic objectives, operational requirements and bring consistency to day-to-day practice. A common format and approved structure for such documents helps reinforce corporate identity, helps to ensure that policies and procedures in use are current and reflects an organisational approach. A standard approach ensures that agreed practice is followed throughout the organisation. With regard to the development of approved documentation, all procedural documents are accessible to all relevant staff supporting the delivery of safe and effective patient care.

### Development and reporting of quality indicators and the quality account

The systems and processes which support the development of the quality accounts focus on engagement activities with public, patients and staff and utilising the many media/data capture opportunities available.

The topics were agreed by the Board of Directors and the Council of Governors on the basis of their importance both from a local perspective (e.g. based on complaints, results of the monitoring of Quality Indicators) and a national perspective (e.g. reports from national bodies: NHSI, CQC findings).

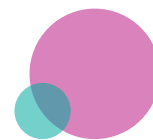
The Trust reviews its quality priorities annually engaging with governors, staff, members of the public and partner organisations.

This year has seen the Trust continue with the priorities from the previous year which include patient experience, nutrition/hydration, pressure ulcers, medications and infection control. It also added two new topics: discharge management and incident management. The Trust's 2018/19 Quality Priorities are discussed further in the Trust's Quality Account. External reviewers assess many parts of the systems and processes in place and appropriate improvements are made from recommendations made.

### People and skills

In addition to the leadership provided by the Board of Directors, clinical divisional management teams (led by clinical directors and co-ordinated by general managers) are accountable for, and ensure that a quality service is provided within their respective divisions and areas of authority. They are required to implement the Quality Improvement Strategy, providing safe, effective and personal care and ensure that patients have a positive experience and are treated with courtesy, respect and kindness. Training opportunities are available for clinical and non-clinical staff and competency is monitored as part of the Trust's appraisal system. The Board of Directors ensures that quality improvement is central to all activities. This is achieved by routine monitoring, participation in national improvement campaigns, celebrating success with our staff awards and proactively seeking patient views on our services.





## Data use and reporting

Data Quality Assurance over the various elements of quality, finance and performance is of key importance to management and the board. Reviews of the Trust's system of internal control in respect of data quality are undertaken in each year through the approved internal audit work plan.

The Trust has robustly utilised existing data collection and reporting arrangements to monitor progress against the quality priorities and identify trends. Good quality information underpins the effective delivery of patient care and is essential if improvements in quality of care are to be made.

Internal audit specifically devote an element of their annual work plan to providing assurance over the Trust's data quality processes. There is a rolling programme of areas for review ensuring that over time the Trust's data quality systems are subject to review.

The Trust has a comprehensive set of in-house Referral to Treatment (RTT) monitoring reports that are used both within the organisation to manage the RTT waits, in conjunction with information held on the Trust's OASIS Patient Administration System (PAS), and for the external reporting of performance.

The reports have been produced by the Information Department who have worked closely with the divisions to generate reports that match the patient pathways, primarily using data sourced from the Trust's PAS. Internal management audits of the RTT pathways are done on an ad-hoc basis by both operational and information staff periodically throughout the year.

## Review of effectiveness

As accounting officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive

managers and clinical leads within the NHS Foundation Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the quality report attached to this annual report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the board, the Audit Committee and the Clinical Quality, Safety and Patient Experience Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Board Assurance Framework and the Trust's risk management arrangements provide me with evidence that the controls to manage the risks to the Trust achieving its principal objectives have been reviewed and are effective. My review is also informed by the work of external and independent assessors and advisors including the Care Quality Commission.

During 2018/19, the work of the internal auditors and the board's review of the Board Assurance Framework and supporting risk management and governance processes, had identified some internal control weaknesses and perceived gaps in control which have been reported as part of the Trust's routine and ongoing monitoring arrangements. These identified weaknesses are considered to be operational in nature and have had their actions robustly monitored to ensure improvement is made to the systems in place across the Trust.

The Trust complies with the NHS Foundation Trust Code of Governance with the aim to deliver effective corporate governance, contribute to better organisational performance and ultimately discharge our duties in the best interests of patients.



Counter fraud provisions are in place in line with the NHS Counter Fraud Authority (NHSCFA) Standards. The Trust complies with its responsibilities to fully implemented code of conduct that includes reference to fraud, bribery and corruption and the requirements of the Bribery Act 2010. The effectiveness of the implementation of the process and staff awareness of the requirements of the code of conduct is regularly tested.

The head of internal audit opinion stated that "The organisation has an adequate and effective framework for risk management, governance and internal control" and identified "further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective".

However none of the identified weaknesses were deemed to be significant in terms of the overall systems of internal control of the Trust.

### Conclusion

My review of the effectiveness of the risk management and internal control has confirmed that:

- The Trust has a generally sound system of internal control designed to meet the organisation's objectives and that controls are generally being applied consistently.
- The systems of internal control in relation to the Quality Report are consistent with the Trust's overall system of internal control and the board has been assured that the Quality Report presents a balanced view and that the data is accurate.
- Based on the work undertaken by a range of assurance providers, there were no significant control issues identified during 2018/19, as referenced in the Annual Governance Statement.

- I confirm that 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 NHS Foundation Trust's performance, business model and strategy.
- We prepare the financial statements on a 'going concern' basis.
- Where improvements have been recommended, especially those made by the CQC within their Section 31 notices; we have acted on them and tracked their implementation at both management and board/committee level.

I, therefore, believe that the Annual Governance Statement is a balanced reflection of the actual control position in place within the year.

*D. Wake*

**Date: 22nd May 2019**

**Diane Wake**

**Chief Executive**





# Statement of directors' responsibilities in respect of the accounts

The directors are required under the National Health Service Act 2006 to prepare accounts for each financial year. The Secretary of State, with the approval of the Treasury, directs that these accounts give a true and fair view of the state of affairs of the Trust and of the income and expenditure, recognised gains and losses and cash flows for the year. In preparing those accounts, directors are required to:

- apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury,
- make judgements and estimates which are reasonable and prudent, and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction of the Secretary of State. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

By order of the board



Signed

**Diane Wake**  
**Chief Executive**

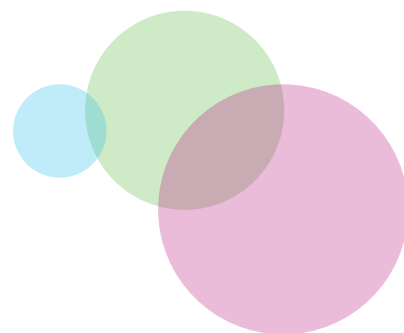
**Date: 22nd May 2019**



Signed

**Tom Jackson**  
**Director of Finance**

**Date: 22nd May 2019**



# ***Independent Auditors' Report to the Council of Governors of The Dudley Group NHS Foundation Trust***

## **Report on the audit of the financial statements**

### **Opinion**

In our opinion, The Dudley Group NHS Foundation Trust's Group and Trust financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's and Trust's affairs as at 31 March 2019 and of the Group's and Trust's income and expenditure and the Group's and Trust's cash flows for the year then ended 31 March 2019; and
- have been properly prepared in accordance with the Department of Health and Social Care Group Accounting Manual 2018/19.

We have audited the financial statements, included within the Annual Report and Accounts 2018/19 (the "Annual Report"), which comprise: the Group and Trust's Statement of Financial Position as at 31 March 2019; the Group and Trust's Statements of Comprehensive Income for the year then ended; the Group and Trust's Statement of Cash Flows for the year then ended; the Group and Trust's Statement of Changes in Taxpayers' and Others' Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### **Basis for opinion**

We conducted our audit in accordance with the National Health Service Act 2006, the Code of Audit Practice and relevant guidance issued by the National Audit Office on behalf of the Comptroller and Auditor General (the "Code of Audit Practice"), International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### **Material uncertainty relating to going concern – Group and Trust**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the Group's and Trust's ability to continue as a going concern.

The Trust has recorded a deficit for 2018/19 and reported a deficit in 2017/18. The Trust is forecasting a surplus in 2019/20; however, this surplus is based on a number of assumptions including the delivery of financial improvement plans of £22 million. If achieved, the Trust will receive an additional £6.5m from the Provider Sustainability Fund. If the Financial Improvement Programme is not achieved, the Trust will be required to borrow funds from the Department of Health and Social Care to meet its ongoing liabilities and to continue to provide healthcare services.

These conditions, along with the other matters explained in note 1 (accounting policies) to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Group's and the Trust's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group or the Trust were unable to continue as a going concern.

### **Explanation of material uncertainty**

The Department of Health and Social Care Group Accounting Manual 2018/19 requires that the financial statements of the Trust should be prepared on a going concern basis unless management either intends to apply to the Secretary of State for the dissolution of the NHS foundation trust without the transfer of the services to another entity, or has no realistic alternative but to do so.

The Trust recorded a deficit in 2018/19 of £1 million.

The Trust has agreed a financial plan for 2019/20 with NHS Improvement which, if achieved, will lead to the receipt of £6.5 million from the Provider Sustainability Fund. The financial plan includes the assumption that the Trust will deliver £22 million of financial savings. The Trust's cash forecasts indicate that, should the necessary improvements in financial performance not be achieved, the Trust will be reliant on external cash support from the Department of Health and Social Care within the 2019/20 financial year.



## What audit work we performed

In considering the financial performance of the Trust and the appropriateness of the going concern assumption in the preparation of the financial statements, we obtained the 2019/20 annual plan and going concern paper and considered the Trust's financial plans and cash flows to May 2020 and:

- Understood the Trust's performance in 2018/19 against its financial savings plans;
- Understood the Trust's budget, cash flow forecast and levels of reserves, and the impact of cash flow sensitivities on the Trust's ability to meet its liabilities as they fall due; and
- Understood and challenged the assumptions, including the achievement of financial savings plans, behind the Trust's financial forecasts and cash flows.

## Our audit approach

### Context

The Trust is the main provider of acute emergency and scheduled healthcare in Dudley, operating from three sites, the main site at Russells Hall Hospital, the Corbett Outpatient Centre and the Guest Outpatient Centre. It also provides community services in Dudley from a number of different locations. It is funded predominantly by local Clinical Commissioning Groups ("CCGs") and NHS England.

NHS Improvement has placed the Trust in segment 3 of its Single Oversight Framework as at 31 March 2019. NHS Improvement's Single Oversight Framework is the framework for overseeing providers and identifying potential support needs. Segment 3 is described by NHS Improvement as 'Providers receiving mandated support for significant concerns'.

Our audit for the year ended 31 March 2019 was planned and executed having regard to the fact that the Trust's operations and financial stability were largely unchanged in nature from the previous year. In light of this, our approach to the audit in terms of scoping and key audit matters was largely unchanged.

### Overview



- Overall Group materiality: £7,465,500 (2018: £6,962,000) which represents 2% of total revenue.
- The consolidated financial statements comprise the parent, The Dudley Group NHS Foundation Trust, and its subsidiaries (The Dudley Group NHS Foundation Trust Charity and Dudley Clinical Services Limited).
- 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.
- Going concern.
- Fraud in revenue and expenditure recognition.
- Valuation of the Group's Property, Plant and Equipment.

## The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of 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.

### Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to going concern, described in the 'Material uncertainty relating to going concern' section above, we determined the matters described below to be the key audit matters to be communicated in our report. This is not a complete list of all risks identified by our audit.



## Key audit matter

### Management override of control and fraud in revenue and expenditure recognition

See note 1 to the financial statements for the Group's disclosures of the related accounting policies, judgements and estimates relating to the recognition of revenue and expenditure, and notes 2 to 5 for further information.

Under ISAs (UK) 240 there is a (rebuttable) presumption that there are risks of fraud in revenue recognition. We extend this presumption to the recognition of expenditure in the NHS in general.

The main source of revenue for the Trust is from contracts with commissioning bodies in respect to healthcare services, under which revenue is recognised when, and to the extent that, healthcare services are provided to patients. This is contracted through a Service Level Agreement ('SLA').

We focussed on this area because there is a heightened risk due to:

- The risks surrounding the financial sustainability of The Dudley Group NHS Foundation Trust, as described in the section 'Material uncertainty relating to going concern'; and
- Due to the wider financial challenge in the NHS, the pressure The Dudley Group NHS Foundation Trust is under to achieve its forecast 2018/19 deficit set out in its plan submitted to NHS Improvement and gain access to the available Provider Sustainability Funding; and therefore the incentive to recognise income for services which have not been delivered during the financial year, and to omit to recognise expenditure in 2018/19, to improve the reported financial position.

We considered revenue recognition to be a risk, in particular revenue streams from the Clinical Commissioning Groups ("CCGs") and NHS England, which together comprise £332 million of the Trust's £341 million of income. The service level agreements with the CCGs consist of standard monthly instalments. A monthly adjustment is then negotiated with the CCGs to reflect actual levels of activity. The value of the adjustment is subject to management judgement. The Trust can also earn Commissioning for Quality and Innovation (CQUIN) revenue as a percentage of the contract value for demonstrating improvements in quality and innovation in specified areas of patient care.

We considered the key areas to be:

- recognition of revenue and expenditure;
- recognition of revenue in accordance with IFRS 15; and
- manipulation of journal postings to the general ledgers.

## How our audit addressed the key audit matter

### Recognition of revenue and expenditure

We evaluated and tested the accounting policy for revenue and expenditure recognition to ensure that it is consistent with the requirements of the Department of Health and Social Care Group Accounting Manual 2018/19 and IFRS 15. We noted no issues in this respect.

For a sample of transactions recognised during the year and around the year-end (both before and after), we confirmed that income and expenditure had been recognised in line with the Trust's accounting policies and in the correct accounting period by agreeing transactions to the supporting invoice and cash receipts/payments where appropriate.

For a sample of CCG income, we obtained the signed contract and agreed its value to the income recognised during the year. For a sample of income from over and under performance against the contract we agreed the income to supporting evidence. This included inspecting information from the year-end intra-NHS balance agreement process to identify any significant differences between the income and accounts receivable reported between the Trust and other NHS organisations.

No material issues were identified from the work performed.

We performed testing to identify whether there were any unrecorded liabilities. We:

- tested a sample of payments made and invoices received after 31 March 2019 to supporting documentation, to check that, where they related to the 2018/19 financial year, an accrual was recognised appropriately; and
- compared accrued expenses recognised as at 31 March 2019 with that recognised in the prior year to identify differences in the accruals recognised year on year.

We also inspected the information from the year-end intra-NHS balance agreement process to identify any significant differences between the expenditure and accounts payable reported with NHS organisations.

No material issues were identified from the work performed.

### Journals

We focused our testing on a sample of journal transactions that had been recognised in both income and expenditure. We agreed the journal entries to supporting documentation, for example invoices and cash transactions. Our testing found that they were supported by appropriate documentation and that the income and expenditure was recognised in the appropriate accounting period for the correct value.



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**Key audit matter****How our audit addressed the key audit matter**

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**Valuation of the Group's Property, Plant and Equipment**

See note 1 to the financial statements for the Group's disclosures of the related accounting policies, judgements, estimates, and use of experts relating to the valuation of the Group's land and buildings (including dwellings), and note 13 for further information.

The Trust is required to regularly revalue its assets in line with the Department of Health and Social Care Group Accounting Manual 2018/19.

We have focused on this area due to the material nature of this balance, and the consequential impact on the financial statements were it to be materially misstated.

As at the year end 31 March 2019, the Group's land and buildings are valued at £181 million (2018: £236 million).

All property, plant and equipment is measured initially at cost, with land and buildings subsequently measured at fair value.

In 2018/19, the Trust carried an exercise to determine the value of its land and buildings on a Modern Equivalent Asset basis as at 1 April 2018, with a reduced footprint.

Valuations are performed by a professionally accredited expert, in accordance with the Royal Institute of Chartered Surveyors ('RICS') Appraisal and Valuation Manual, and performed with sufficient regularity to ensure that the carrying value is not materially different from fair value at the balance sheet date.

The specific areas of risk are:

- accuracy and completeness of detailed information on assets provided to the valuation expert – most significantly the floor plans, on which the valuation of hospital properties is routinely based;
- the methodology, assumptions and underlying data used by the valuation expert; and
- the accounting transactions resulting from this valuation.

We obtained and read the valuation report prepared by the Group's Valuers. We used our own valuations expertise to evaluate and challenge the assumptions and methodology applied in the valuation exercise. We found the assumptions and methodology applied to be consistent with our expectations.

We checked that the Valuer had a UK qualification, was part of an appropriate professional body and was not connected with the Group.

We challenged the Trust Board on:

- the governance of the process; and
- the Board's sign-off of the assumptions used, including that the building configuration would be appropriate clinically.

We checked that the change in valuation was appropriately disclosed in the financial statements and correctly reflected in the Group's workings and the general ledger. No significant matters were identified.

We physically verified a sample of assets to confirm existence and in doing so considered whether there was any indication of physical obsolescence which would indicate potential impairment; our testing did not identify any significant matters.

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Other than the matters noted in the 'Material Uncertainty relating to going concern' and 'Arrangements for securing economy, efficiency, and effectiveness in the use of resources' paragraphs, we determined that there were no further key audit matters relating to the financial statements of the Group to communicate in our report.

**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.

The audit was conducted at The Dudley Group NHS Foundation Trust's largest site in Dudley (Russells Hall Hospital) where the main finance team is based.



Our risk assessment included consideration of management's analysis of the United Kingdom's withdrawal from the European Union in the Annual Report, but the terms on which this may occur are not clear, and it is difficult to evaluate all of the potential implications on the Trust's activities, patients, suppliers and the wider economy.

### 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, we determined materiality for the financial statements as a whole as follows:

	<b>Group financial statements</b>	<b>Trust financial statements</b>
<b>Overall materiality</b>	£7,465,500 (2018: £6,962,000)	£7,092,301 (2018: £6,514,100)
<b>How we determined it</b>	2% of revenue (2018: 2% of revenue)	2% of revenue (2018: 2% of revenue)
<b>Rationale for benchmark applied</b>	Consistent with last year, we have applied this benchmark, a generally accepted auditing practice, in the absence of indicators that an alternative benchmark would be appropriate.	Consistent with last year, we have applied this benchmark, a generally accepted auditing practice, in the absence of indicators that an alternative benchmark would be appropriate.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was £44,400 to £7,092,301. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We agreed with the Group Audit Committee that we would report to them misstatements identified during our audit above £300,000 (Group and Trust audit) (2018: £250,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Performance Report and the Accountability Report, we also considered whether the disclosures required by the NHS Foundation Trust Annual Reporting Manual 2018/19 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) and the Code of Audit Practice require us also to report certain opinions and matters as described below.

### Performance Report and Accountability Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Performance Report and Accountability Report for the year ended 31 March 2019 is consistent with the financial statements and has been prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2018/19.

In light of the knowledge and understanding of the Group and the Trust and their environment obtained in the course of the audit, we did not identify any material misstatements in the Performance Report or Accountability Report.

In addition, the parts of the Remuneration and Staff reports to be audited have been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2018/19.

### Responsibilities for the financial statements and the audit

#### Responsibilities of the directors for the financial statements

As explained more fully on page 79 of the Accountability Report, the directors are responsible for the preparation of the financial statements in accordance with the Department of Health and Social Care Group Accounting Manual 2018/19, and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, the directors are responsible for assessing the Group's and Trust's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and Trust or to cease operations, or have no realistic alternative but to do so.

The Trust is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

### ***Auditors' responsibilities for the audit of the financial statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

We are required under Schedule 10 (1) of the National Health Service Act 2006 to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources and to report to you where we have not been able to satisfy ourselves that it has done so. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively. We have undertaken our work in accordance with the Code of Audit Practice, having regard to the criterion determined by the Comptroller and Auditor General as to whether the Trust has proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary.

### ***Use of this report***

This report, including the opinions, has been prepared for and only for the Council of Governors of The Dudley Group 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.

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## **Other required reporting**

### **Arrangements for securing economy, efficiency and effectiveness in the use of resources**

Under the Code of Audit Practice we are required to report, by exception, if we conclude we are not satisfied that the Trust has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2019.

We draw your attention to the Group's Financial Performance on page 20 and the Annual Governance Statement on page 67 of the Annual Report which includes further details on the matters noted below and the Trust's actions to address the issues.

### ***Adverse opinion***

As a result of the matters set out in the Basis for adverse opinion and Key Audit Matter section immediately below, we have concluded that the Trust has not put in place proper arrangements for securing economy, efficiency and effectiveness in the use of its resources for the year ended 31 March 2019.

### ***Basis for adverse opinion and Key Audit Matter***

The Trust set a planned deficit target for 2018/19 of £0.8 million before Provider Sustainability Funding. The Trust did not achieve this target and recorded a deficit of £8.8 million for 2018/19, before Provider Sustainability Funding. Management are forecasting future savings of £22 million for 2019/20.

The Trust's cash forecasts indicate that, should the necessary improvements in financial performance not be achieved, the Trust will be reliant on external cash support from the Department of Health and Social Care within the 2019/20 financial year.

The CQC's inspection report issued in April 2018 set out significant issues relating to the Trust's A&E department, including a deterioration in performance in relation to the questions 'Are services caring?' and 'Are services well-led?' The Trust's overall rating was 'Requires Improvement' but Urgent and Emergency Services was rated as 'Inadequate'.

In October 2018, NHS Improvement (Monitor) issued enforcement undertakings relating to A&E.

Based on our risk assessment and work performed, we concluded that:



- the evidence available from the CQC inspections indicates that there were gaps in the Trust's application of the principles and values of sound governance; and
- the Trust's cashflow forecasts for 2019/20 indicate that, should the necessary improvements in financial performance not be achieved, the Trust is likely to need to borrow funds during 2019/20 and beyond, which calls into doubt the financial sustainability of the Trust, and indicates that the Trust is not deploying its resources effectively.

In considering the Trust's arrangements we:

- read the enforcement undertakings issued by NHS Improvement (Monitor) in October 2018;
- we read the April 2018 CQC inspection report and discussed the findings with management; and
- we understood the Trust's 2018/19 results and 2019/20 financial plan, including its cash flows and assumptions underpinning future borrowing needs.

The work we have undertaken on going concern and financial sustainability is explained in the Material uncertainty relating to going concern section.

### Other matters on which we report by exception

We are required to report to you if:

- The statement given by the directors on page 23, 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 patients, regulators, and other stakeholders to assess the Group's and Trust's performance, business model, and strategy is materially inconsistent with our knowledge of the Group and Trust acquired in the course of performing our audit.
- The section of the Annual report on page 39, 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.
- The Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2018/19 or is misleading or inconsistent with our knowledge acquired in the course of performing our audit. We have not considered whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.
- We have referred a matter to Monitor under Schedule 10 (6) of the National Health Service Act 2006 because we had reason to believe that the Trust, or a director or officer of the Trust, was about to make, or had made, a decision which involved or would involve the incurring of expenditure that was unlawful, or was about to take, or had taken a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency.
- We have issued a report in the public interest under Schedule 10 (3) of the National Health Service Act 2006.
- We have not received all the information and explanations we require for our audit.

We have no exceptions to report arising from this responsibility.

### Certificate

We certify that we have completed the audit of the financial statements in accordance with the requirements of Chapter 5 of Part 2 to the National Health Service Act 2006 and the Code of Audit Practice.



Alison Breadon (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Birmingham  
29 May 2019



# Annual Accounts



# Foreward to the Accounts

These accounts for the period 1 April 2018 to 31 March 2019 have been prepared by The Dudley Group NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 to the NHS Act 2006 and are presented to Parliament pursuant to Schedule 7, paragraph 25 (4) (a) of the National Health Service Act 2006.

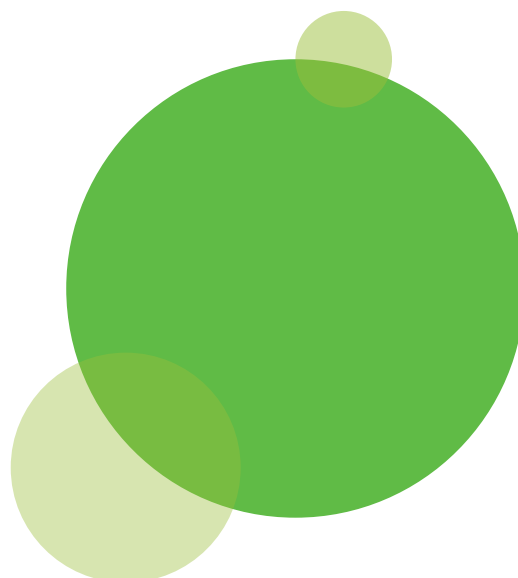


Signed

**Diane Wake**

**Chief Executive**

**Date: 22nd May 2019**



## Consolidated and Foundation Trust Statements of Comprehensive Income

for the Year Ended 31 March 2019

		Group		Foundation Trust	
	Note	Year Ended 31 March 2019 £'000	Year Ended 31 March 2018 £'000	Year Ended 31 March 2019 £'000	Year Ended 31 March 2018 £'000
Operating Income from patient care activities	3	340,857	323,187	340,857	323,187
Other Operating Income	4	32,422	29,652	32,128	29,554
<b>Total Operating Income from continuing operations</b>		<b>373,279</b>	<b>352,839</b>	<b>372,985</b>	<b>352,741</b>
Operating Expenses of continuing operations	5	(360,712)	(346,316)	(360,700)	(345,972)
<b>Operating Surplus / (Deficit)</b>		<b>12,567</b>	<b>6,523</b>	<b>12,285</b>	<b>6,769</b>
<b>Finance Costs</b>					
Finance income	9	238	117	187	66
Finance expense - financial liabilities	10	(11,796)	(11,039)	(11,796)	(11,039)
PDC Dividends payable		(1,981)	(3,129)	(1,981)	(3,129)
<b>Net Finance Costs</b>		<b>(13,539)</b>	<b>(14,051)</b>	<b>(13,590)</b>	<b>(14,102)</b>
Gain/(loss) of disposal of assets	13	0	56	0	56
Corporation tax expense	11	(37)	(37)	0	0
<b>Surplus/(Deficit) for the year from continuing operations</b>		<b>(1,009)</b>	<b>(7,509)</b>	<b>(1,305)</b>	<b>(7,277)</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>(1,009)</b>	<b>(7,509)</b>	<b>(1,305)</b>	<b>(7,277)</b>
<b>Other comprehensive income</b>					
<b>Will not be reclassified to income and expenditure:</b>					
Impairments	13	(39,990)	(505)	(39,990)	(505)
Revaluations	13	(13,735)	22,543	(13,735)	22,543
Fair value gains/(losses) on equity instruments designated at FV through OCI	14	44	0	0	0
May be reclassified to income and expenditure where certain conditions are met:					
Fair Value gains/(losses) on Available-for-sale financial instruments	14	0	5	0	0
<b>TOTAL COMPREHENSIVE INCOME / (EXPENSE) FOR THE YEAR</b>		<b>(54,690)</b>	<b>14,534</b>	<b>(55,030)</b>	<b>14,761</b>

The notes on pages 5 to 41 form part of these accounts.

All income and expenditure is derived from continuing operations.

There are no Non-Controlling Interests in the Group, therefore the deficit for the year of £1,009,000 (2017/18 deficit of £7,509,000) and the Total Comprehensive Expenditure of £54,690,000 (2017/18 Total Comprehensive Income of £14,534,000) is wholly attributable to the Trust.

## Consolidated and Foundation Trust Statements of Financial Position

As at 31 March 2019

		Group		Foundation Trust	
	Note	31 March 2019 £'000	31 March 2018 £'000	31 March 2019 £'000	31 March 2018 £'000
<b>Non-current assets</b>					
Intangible assets	12	8,445	3,292	8,445	7,196
Property, plant and equipment	13	181,476	236,373	181,476	232,469
Other Investments/financial assets	14	1,360	1,316	0	0
Receivables	16	10,716	12,026	10,714	12,026
<b>Total non-current assets</b>		<b>201,997</b>	<b>253,007</b>	<b>200,635</b>	<b>251,691</b>
<b>Current assets</b>					
Inventories	15	3,697	2,991	3,525	2,847
Receivables	16	15,859	12,926	15,685	12,754
Other Investments/financial assets	17	500	500	0	0
Cash and cash equivalents	18	9,276	14,113	8,269	13,496
<b>Total current assets</b>		<b>29,332</b>	<b>30,530</b>	<b>27,479</b>	<b>29,097</b>
<b>Current liabilities</b>					
Trade and other payables	19	(28,877)	(23,567)	(28,529)	(23,345)
Borrowings	20	(5,454)	(6,255)	(5,454)	(6,255)
Provisions	21	(180)	(147)	(180)	(147)
Other liabilities	22	(1,744)	(1,639)	(1,744)	(1,639)
<b>Total current liabilities</b>		<b>(36,255)</b>	<b>(31,608)</b>	<b>(35,907)</b>	<b>(31,386)</b>
<b>Total assets less current liabilities</b>		<b>195,074</b>	<b>251,929</b>	<b>192,207</b>	<b>249,402</b>
<b>Non-current liabilities</b>					
Trade and other payables	19	0	(40)	0	(40)
Borrowings	20	(118,731)	(122,236)	(118,731)	(122,236)
<b>Total non-current liabilities</b>		<b>(118,731)</b>	<b>(122,276)</b>	<b>(118,731)</b>	<b>(122,276)</b>
<b>Total assets employed</b>		<b>76,343</b>	<b>129,653</b>	<b>73,476</b>	<b>127,126</b>
<b>Financed by</b>					
<b>Taxpayers' equity</b>					
Public Dividend Capital		27,331	25,951	27,331	25,951
Revaluation reserve		27,555	81,286	27,555	81,286
Income and expenditure reserve		19,269	20,411	18,590	19,889
<b>Others' equity</b>					
Charitable Fund reserves		2,188	2,005	0	0
<b>Total Taxpayers' and Others' equity</b>		<b>76,343</b>	<b>129,653</b>	<b>73,476</b>	<b>127,126</b>

The financial statements were approved by the Board of Directors and authorised for issue on their behalf by:



Signed  
Date: 22nd May 2019  
Diane Wake  
Chief Executive

# Consolidated and Foundation Trust Statements of Changes in Taxpayers' and Others' Equity

for the Year Ended 31 March 2019

	Group Taxpayers' Equity					Foundation Trust Taxpayers' Equity			
	Public Dividend Capital	Revaluation Reserve	Income and Expenditure Reserve	**Charitable Fund Reserves	Total Taxpayers' and Others' Equity	Public Dividend Capital	Revaluation Reserve	Income and Expenditure Reserve	Total Taxpayers' Equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Taxpayers' and Others' Equity at 1 April 2017</b>	<b>24,653</b>	<b>59,249</b>	<b>27,531</b>	<b>2,388</b>	<b>113,821</b>	<b>24,653</b>	<b>59,249</b>	<b>27,165</b>	<b>111,067</b>
Surplus / (Deficit) for the year	0	0	(7,121)	(388)	(7,509)	0	0	(7,277)	(7,277)
Transfers between reserves	0	0	0	0	0	0	0	0	0
Net Impairments	0	(505)	0	0	(505)	0	(505)	0	(505)
Revaluations - property, plant and equipment	0	22,543	0	0	22,543	0	22,543	0	22,543
Fair Value gains/(losses) on available -for-sale financial investments	0	0	0	5	5	0	0	0	0
Public Dividend Capital Received	1,298	0	0	0	1,298	1,298	0	0	1,298
Other reserve movements	0	(1)	1	0	0	0	(1)	1	0
Consolidation adjustment	0	0	0	0	0	0	0	0	0
<b>Taxpayers' and Others' Equity at 31 March 2018</b>	<b>25,951</b>	<b>81,286</b>	<b>20,411</b>	<b>2,005</b>	<b>129,653</b>	<b>25,951</b>	<b>81,286</b>	<b>19,889</b>	<b>127,126</b>
<b>Taxpayers' and Others' Equity at 1 April 2018</b>	<b>25,951</b>	<b>81,286</b>	<b>20,411</b>	<b>2,005</b>	<b>129,653</b>	<b>25,951</b>	<b>81,286</b>	<b>19,889</b>	<b>127,126</b>
Surplus / (Deficit) for the year	0	0	(1,189)	180	(1,009)	0	0	(1,305)	(1,305)
Transfers between reserves	0	(6)	6	0	0	0	(6)	6	0
Net Impairments	0	(39,990)	0	0	(39,990)	0	(39,990)	0	(39,990)
Revaluations - property, plant and equipment	0	(13,735)	0	0	(13,735)	0	(13,735)	0	(13,735)
Fair value gains/(losses) on equity instruments designated at FV through OCI	0	0	0	44	44	0	0	0	0
Fair value gains/(losses) on available for sale financial investments	0	0	0	0	0	0	0	0	0
Public Dividend Capital Received	1,380	0	0	0	1,380	1,380	0	0	1,380
Other reserve movements	0	0	0	0	0	0	0	0	0
Consolidation adjustment	0	0	41	(41)	0	0	0	0	0
<b>Taxpayers' and Others' Equity at 31 March 2019</b>	<b>27,331</b>	<b>27,555</b>	<b>19,269</b>	<b>2,188</b>	<b>76,343</b>	<b>27,331</b>	<b>27,555</b>	<b>18,590</b>	<b>73,476</b>

\*\*Charitable Fund Reserves comprise Unrestricted Funds £2,113,000 (2017/18 £1,979,000) of which £1,945,000 (2017/18 £1,839,000) have been designated for specific purposes, Restricted Funds £75,000 (2017/18 £26,000) and Endowment Funds £nil (2017/18 £nil). Unrestricted Funds comprise those funds that the Trustee is free to use for any purpose in furtherance of the Charity objectives, Restricted Funds are specific appeals for funds or donations where legal restrictions have been imposed by the Donor, and Endowment Funds are held as capital by the Charity to generate income for charitable purposes but cannot themselves be spent.



## Consolidated and Foundation Trust Statements of Cash Flows

for the Year Ended 31 March 2019

	Group		Foundation Trust	
	31 March 2019 £'000	31 March 2018 £'000	31 March 2019 £'000	31 March 2018 £'000
<b>Cash flows from operating activities</b>				
Operating surplus/(deficit) from continuing operations	12,567	6,523	12,285	6,769
<b>Operating surplus/(deficit)</b>	<b>12,567</b>	<b>6,523</b>	<b>12,285</b>	<b>6,769</b>
<b>Non-cash income and expense:</b>				
Depreciation and amortisation	6,943	9,251	6,943	9,251
Impairments and Reversals	154	1,428	154	1,428
Income recognised in respect of capital donations (cash and non-cash)	(99)	(187)	(99)	(187)
(Increase)/Decrease in trade and other receivables	(1,624)	7,191	(1,616)	7,545
Increase/(Decrease) in other assets	0	0	0	0
(Increase)/Decrease in inventories	(706)	(94)	(678)	(117)
Increase/(Decrease) in trade and other payables	6,145	3,900	6,010	3,916
Increase/(Decrease) in other liabilities	105	(149)	105	(149)
Increase/(Decrease) in provisions	33	7	33	7
Tax (paid) / received	(37)	(34)	0	0
Movements in charitable fund working capital	(5)	533	0	0
<b>NET CASH GENERATED FROM/(USED IN) OPERATIONS</b>	<b>23,476</b>	<b>28,369</b>	<b>23,137</b>	<b>28,463</b>
<b>Cash flows from investing activities</b>				
Interest received	185	63	184	60
Purchase of financial assets	0	0	0	0
Sales of financial assets	0	0	0	0
Purchase of intangible assets	(1,935)	(1,470)	(1,935)	(1,470)
Sales of intangible assets	0	0	0	0
Purchase of Property, Plant and Equipment	(7,598)	(13,347)	(7,598)	(13,347)
Sales of Property, Plant and Equipment	0	63	0	63
NHS Charitable funds - net cash flows from investing activities	50	49	0	0
<b>Net cash generated from/(used in) investing activities</b>	<b>(9,298)</b>	<b>(14,642)</b>	<b>(9,349)</b>	<b>(14,694)</b>
<b>Cash flows from financing activities</b>				
Public dividend capital received	1,380	1,298	1,380	1,298
Capital element of PFI Obligations	(6,305)	(5,199)	(6,305)	(5,199)
Other Interest	0	0	0	0
Interest element of PFI Obligations	(11,796)	(11,039)	(11,796)	(11,039)
PDC Dividend paid	(2,294)	(2,700)	(2,294)	(2,700)
<b>Net cash generated from/(used in) financing activities</b>	<b>(19,015)</b>	<b>(17,640)</b>	<b>(19,015)</b>	<b>(17,640)</b>
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>(4,837)</b>	<b>(3,913)</b>	<b>(5,227)</b>	<b>(3,871)</b>
<b>Cash and Cash equivalents at 1 April</b>	<b>14,113</b>	<b>18,026</b>	<b>13,496</b>	<b>17,367</b>
<b>Cash and Cash equivalents at 31 March</b>	<b>9,276</b>	<b>14,113</b>	<b>8,269</b>	<b>13,496</b>

# 1. Accounting Policies and Other Information

NHS Improvement, in exercising the statutory functions conferred on Monitor, has directed that the financial statements of NHS foundation Trusts shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the DHSC Group Accounting Manual 2018-19, issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the DHSC Group Accounting Manual permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the NHS Foundation Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

## Going Concern

The Foundation Trust's annual report and accounts have been prepared on a going concern basis. Non-trading entities in the public sector are assumed to be going concerns where the continued provision of a service in the future is anticipated, as evidenced by inclusion of financial provision for that service in published documents.

The Trust again experienced a difficult financial year in 2018/19 which resulted in a deficit position and a further reduction in its cash balances. To mitigate the risks arising from the financial position and to give itself the best chance of financial turnaround the Trust Board has developed, and is continuing to deliver, a Financial Improvement Programme for 2019/20, which will aim to

identify and implement cost improvement saving initiatives to allow the Trust to achieve its control total set by NHS Improvement. The Financial Improvement Programme for 2019/20 is £22 million. If achieved, the Trust will receive an additional £6.5m from the Provider Sustainability Fund. If the Financial Improvement Programme is not achieved, the Trust will be required to borrow funds from the Department of Health and Social Care to meet its ongoing liabilities. This indicates the existence of a material uncertainty that may cast significant doubt about the Trust's and the Group's ability to continue as a going concern. The Board continues to monitor its monthly and future cash position and has governance arrangements in place to manage cash requirements throughout the year.

## Accounting Convention

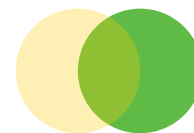
These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities.

### 1.1 Consolidation

The group financial statements consolidate the financial statements of the Trust and all of its subsidiary undertakings made up to 31st March 2019. The income, expenses, assets, liabilities, equity and reserves of the subsidiaries have been consolidated into the Trust's financial statements and group financial statements have been prepared.

## Subsidiaries

Subsidiary entities are those which the Foundation Trust is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The income, expenses, assets, liabilities, equity and reserves of subsidiaries are consolidated in full into the appropriate financial statement lines. The amounts consolidated are drawn from the published financial statements of the subsidiaries for the year.



Where subsidiaries' accounting policies are not aligned with those of the Foundation Trust then amounts are adjusted during consolidation where the differences are material. Inter-entity balances, transactions and gains/losses are eliminated in full on consolidation.

### NHS Charitable Fund

The NHS Foundation Trust is the corporate trustee to Dudley Group NHS Charity. The Foundation Trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the Foundation Trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over the fund.

The charitable fund's statutory accounts are prepared to 31st March in accordance with the UK Charities Statement of Recommended Practice (SORP) which is based on UK Financial Reporting Standard (FRS) 102. On consolidation, necessary adjustments are made to the charity's assets, liabilities and transactions to:

- recognise and measure them in accordance with the Foundation Trust's accounting policies; and
- eliminate intra-group transactions, balances, gains and losses.

## 1.2 Revenue

The transition to IFRS 15 has been completed in accordance with Paragraph C3 (b) of the Standard, applying the Standard retrospectively recognising the cumulative effects at the date of initial application.

In the adoption of IFRS 15 a number of practical expedients offered in the Standard have been employed. These are as follows:

- As per paragraph 121 of the Standard the Foundation Trust will not disclose information regarding performance obligations part of a contract that has an original expected duration of one year or less,
  - The Foundation Trust is to similarly not disclose information where the revenue is recognised in line with the practical expedient offered in paragraph B16 of the Standard where the right to consideration corresponds directly with the value of the performance completed to date.
  - The FReM has mandated the exercise of the practical expedient offered in C7 (a) of the Standard that requires the Foundation Trust to reflect the aggregate effect of all contracts modified before the date of initial application.
- The main source of revenue for the Foundation Trust is contracts with commissioners in respect of healthcare services. Revenue in respect of services provided is recognised when (or as) performance obligations are satisfied by transferring promised services to the customer, and is measured at the amount of the transaction price allocated to that performance obligation. At the year end, the Foundation Trust accrues income relating to performance obligations satisfied in that year. Where a patient care spell is incomplete at the year end, revenue relating to the partially complete spell is accrued in the same manner as other revenue. Where income is received for a specific performance obligation that is to be satisfied in the following year, that income is deferred. The Foundation Trust receives income under the NHS Cost Recovery Scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid, for instance by an insurer. The Foundation Trust recognises the income when it receives notification from the Department of Work and Pension's Compensation Recovery Unit, has completed the NHS2 form and confirmed there are no discrepancies with the treatment. The income is measured at the agreed tariff for the treatments provided to the injured individual, less a provision for unsuccessful compensation claims and doubtful debts in line with IFRS 9 requirements of measuring expected credit losses over the lifetime of the asset.

## 1.3 Expenditure on Employee Benefits

### Short-Term Employee Benefits

Salaries, wages and employment-related payments, including payments arising from the apprenticeship levy, are recognised in the period in which the service is received from employees.

### Pension Costs

#### NHS Pension Scheme

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions). Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health in England and Wales. They are 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, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

#### a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) 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 is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2019, is based on valuation data as 31 March 2018, updated to 31 March 2019 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 report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

#### b) Full actual (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019. The Department of Health and Social Care have recently laid Scheme Regulations confirming that the employer contribution rate will increase to 20.6% of pensionable pay from this date.

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.



### c) Scheme provisions

The NHS Pension Scheme provided defined benefits, which are summarised below. This list is an illustrative guide only, and is not intended to detail all the benefits provided by the Scheme or the specific conditions that must be met before these benefits can be obtained:

The Scheme is a “final salary” scheme. Annual pensions are normally based on 1/80th for the 1995 section and of the best of the last three years pensionable pay for each year of service, and 1/60th for the 2008 section of reckonable pay per year of membership. Members who are practitioners as defined by the Scheme Regulations have their annual pensions based upon total pensionable earnings over the relevant pensionable service.

With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum amount permitted under HMRC rules. This new provision is known as “pension commutation”.

Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year. From 2011-12 the Consumer Price Index (CPI) will be used to replace the Retail Prices Index (RPI).

Early payment of a pension, with enhancement, is available to members of the scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice final year’s pensionable pay for death in service, and five times their annual pension for death after retirement is payable.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the employer.

Members can purchase additional service in the NHS Scheme and contribute to money purchase AVC’s run by the Scheme’s approved

providers or by other Free Standing Additional Voluntary Contributions (FSAVC) providers.

### 1.4 Expenditure on Other 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 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 Foundation Trust;
- it is expected to be used for more than one financial year; and
- the cost of the item can be measured reliably and;
- has an individual cost of at least £5,000; or
- the items form a group of assets which collectively have a cost of at least £5,000, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under the same managerial control; or
- form part of the initial equipping and setting up cost of a new building or refurbishment of a ward or unit, and the items collectively have a cost of at least £5,000.

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.

## Measurement

### Valuation

All Property, Plant and Equipment 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.

For property assets the frequency of revaluations will be at least every five years.

The fair value of land and buildings are determined by valuations carried out by professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual. The valuations are carried out primarily on the basis of depreciated replacement cost, modern equivalent asset basis for specialised operational property and existing use value for non-specialised operational property. Assets held at depreciated replacement cost have been valued on a Modern Equivalent Asset Optimised Alternative Site basis. For the Trust's PFI buildings the valuation does not include any VAT liability as VAT is recoverable on the unitary payments made by the Trust and any re-provision of the buildings would be carried out via a further PFI agreement. The value of land for existing use purposes is assessed at existing use value. For non-operational properties including surplus land, the valuations are carried out at open market value.

Assets under construction are valued at cost and are subsequently revalued by professional valuers when they are brought into use if factors indicate that the value of the asset differs materially from its carrying value. Otherwise, the asset should only be revalued on the next occasion when all assets of that class are revalued.

An item of property, plant and equipment which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 or IFRS 5.

### Subsequent expenditure

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the income statement in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from use of an item of property, plant and equipment and where the cost of the item can be measured reliably, the expenditure is capitalised as an additional cost of that asset or as a replacement.

### Depreciation

Items of Property, Plant and Equipment are depreciated over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

The Trust depreciates its non-current assets on a straight line basis over the expected life of the assets after allowing for the residual value. Useful lives are determined on a case by case basis. The typical lives for the following assets are:

Asset Category	Useful Life (years)
Buildings	5 - 90
Engineering Plant and Equipment	5 - 15
Medical Equipment	5 - 15
Transport Equipment	7
Information Technology	5 - 10
Furniture & Fittings	5 - 10

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 reclassification.

Assets in the course of construction and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the Trust, respectively.

## Revaluation gains and losses

Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating income.

Revaluation losses 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

In accordance with the FT ARM, impairments that arise from a clear consumption of economic benefits or of service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss are reversed. Reversals are recognised in operating income to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

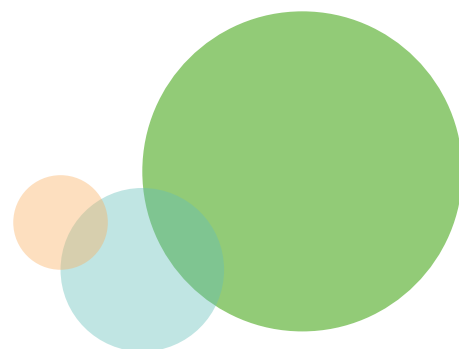
Other impairments are treated as revaluation losses. Reversals of other impairments are treated as revaluation gains.

## De-recognition

Assets intended for 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;
- the sale must be highly probable i.e.:
  - management are committed to a plan 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;
- the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

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. Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'Held for Sale' and instead is retained as an operational asset and the asset's economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.



### Donated, Government Grant and other grant funded assets

Donated and grant funded property, plant and equipment 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 and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

### Private Finance Initiative (PFI) transactions

PFI transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's FReM, are accounted for as 'on-Statement of Financial Position' by the Trust. 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. This valuation will exclude VAT. 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. An equivalent financial liability is recognised in accordance with IAS 17.

The annual contract payments are apportioned between the repayment of the liability, a lifecycle element, a finance cost and the charges for services. The finance cost is calculated using the implicit interest rate for the scheme. The service charge is recognised in operating expenses and the finance cost is charged to Finance Costs in the Statement of Comprehensive Income.

The lifecycle element is established on the lifecycle plan contained within the financial model. 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 fair value. The element of the annual unitary payment allocated to lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. Where the lifecycle component is provided earlier or later than expected, a short-term finance lease liability or prepayment is recognised respectively. Where the fair value of the lifecycle component is less than the amount determined in the contract, the difference is recognised as an expense when the replacement is provided. If the fair value is greater than the amount determined in the contract, the difference is treated as a 'free' asset and a deferred income balance is recognised. The deferred income is released to the operating income over the shorter of the remaining contract period or the useful economic life of the replacement component.

## 1.6 Intangible Assets

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. 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. Where internally generated assets are held for service potential, this involves a direct contribution to the delivery of services to the public.

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets. Expenditure on research is not capitalised. Expenditure on development is capitalised only where all of the following can be demonstrated:

- the project is technically feasible to the point of completion and will result in an intangible asset for sale or use;
- the Trust intends to complete the asset and sell or use it;



- 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.

Purchased computer software licences are capitalised as intangible non-current assets where expenditure of at least £5,000 is incurred and amortised over the shorter of the term of the license and their useful lives.

### 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 current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 or IFRS 5. Intangible assets held for sale are measured at the lower of their carrying amount or 'fair value less costs to sell'.

### Amortisation and impairment

Intangible assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits. The carrying value of intangible assets is reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Asset Category	Useful Life (years)
Software Licences	2- 10

## 1.7 Government Grants

Government grants are grants from Government bodies other than income from Clinical Commissioning Groups or NHS Trusts for the provision of services. Grants from the Department of Health, are accounted for as Government grants as are grants from the Big Lottery Fund. Where the Government grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure. Where the grant is used to fund capital expenditure the grant is credited to income at the same time, unless the grant has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the grant, in which case, the grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

## 1.8 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the First In, First Out (FIFO) method.

## 1.9 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.

## 1.10 Financial Instruments and Financial Liabilities

### Financial assets

Financial assets are recognised when the Foundation Trust becomes party to the contractual provision of the financial instrument or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or when the asset has been transferred and the Foundation Trust has transferred substantially all of the risks and rewards of ownership or has not retained control of the asset.

Financial assets are initially recognised at fair value plus or minus directly attributable transaction costs for financial assets not measured at fair value through profit or loss. Fair value is taken as the transaction price, or otherwise determined by reference to quoted market prices, where possible, or by valuation techniques.

Financial assets are classified into the following categories: financial assets at amortised cost, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit and loss. The classification is determined by the cash flow and business model characteristics of the financial assets, as set out in IFRS 9, and is determined at the time of initial recognition.

### Financial assets at amortised cost

Financial assets measured at amortised cost are those held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and where the cash flows are solely payments of principal and interest. This includes most trade receivables, loans receivable, and other simple debt instruments.

After initial recognition, these financial assets are measured at amortised cost using the effective interest method, less any impairment. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the life of the financial asset to the gross carrying amount of the financial asset.

### Financial assets at fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income are those held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and where cash flows are solely payments of principal and interest. This category also includes investments in equity instruments where the Group has opted to classify them here.

### Financial assets at fair value through profit and loss

Financial assets measured at fair value through profit or loss are those that are not otherwise measured at amortised cost or fair value through other comprehensive income. This includes derivatives and financial assets acquired principally for the purpose of selling in the short term.

### Impairment

For all financial assets measured at amortised cost or at fair value through other comprehensive income (except equity instruments designated at fair value through other comprehensive income), lease receivables and contract assets, the Foundation Trust recognises a loss allowance representing expected credit losses on the financial instrument.

The Foundation Trust adopts the simplified approach to impairment, in accordance with IFRS 9, and measures the loss allowance for trade receivables, contract assets and lease receivables at an amount equal to lifetime expected credit losses. For other financial assets, the loss allowance is measured at an amount equal to lifetime expected credit losses if the credit risk on the financial instrument has increased significantly since initial recognition (stage 2), and otherwise at an amount equal to 12-month expected credit losses (stage 1).

HM Treasury has ruled that central government bodies may not recognise stage 1 or stage 2 impairments against other government departments, their executive agencies, the Bank of England, Exchequer Funds, and Exchequer Funds' assets where repayment is ensured by primary legislation. The Foundation Trust therefore does not recognise loss allowances for stage 1 or stage 2 impairments against these bodies. Additionally, the Department of Health and Social Care provides a guarantee of last resort against the debts of its arm's length bodies and NHS bodies (excluding NHS charities), and the Foundation Trust does not recognise loss allowances for stage 1 or stage 2 impairments against these bodies.

For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset's gross carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

### Financial liabilities

Financial liabilities are recognised when the Foundation Trust becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been extinguished – that is, the obligation has been discharged or cancelled or has expired.

### Financial liabilities at fair value through profit and loss

Derivatives that are liabilities are subsequently measured at fair value through profit or loss, Embedded derivatives that are not part of a hybrid contract containing a host that is an asset within the scope of IFRS 9 are separately accounted for as derivatives only if their economic characteristics and risks are not closely related to those of their host contracts, a separate instrument with the same terms would meet the definition of a derivative, and the hybrid contract is not itself measured at fair value through profit or loss.

### Other Financial liabilities

After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the amortised cost of the financial liability. In the case of DHSC loans that would be the nominal rate charged on the loan.

### 1.11 Leases

#### Financial leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the NHS Foundation 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 are added to the lease rentals and charged to operating expenses over the life 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. Leased land is treated as an operating lease.

## 1.12 Provisions

The NHS Foundation Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's long term discount rate of 1.99 per cent (2017/18 -1.56 per cent) in real terms, except for early retirement provisions and injury benefit provisions which both use the HM Treasury's pension discount rate of 0.29 per cent (2017/18 0.10 per cent) in real terms.

### Clinical negligence costs

The NHS Litigation Authority (NHS LA) operates a risk pooling scheme under which the NHS Foundation Trust pays an annual contribution to the NHS LA, which, in return, settles all clinical negligence claims. The contribution is charged to expenditure. Although the NHS LA is administratively responsible for all clinical negligence cases, the legal liability remains with the NHS Foundation Trust. The total value of clinical negligence provisions carried by the NHS LA on behalf of the NHS Foundation Trust is disclosed at note 21, but is not recognised in the Trust accounts.

### Non-clinical risk pooling

The NHS Foundation 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.

## 1.13 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 26 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 26, unless the probability of a transfer of economic benefits is remote. 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.

## 1.14 Public Dividend Capital

Public dividend capital is a type of public sector equity finance, which represents the Department of Health and Social Care's investment in the trust. HM Treasury has determined that, being issued under statutory authority rather than under contract, PDC is not a financial instrument within the meaning of IAS 32.

At any time, the Secretary of State can issue new PDC to, and require repayments of PDC from, the trust. PDC is recorded at the value received.

An annual charge, reflecting the cost of capital utilised by the trust, is payable to the Department of Health and Social Care as PDC dividend. The charge is calculated at the real rate set by the Secretary of State with the consent of HM Treasury (currently 3.5%) on the average relevant net assets of the trust. Relevant net assets are calculated as the value of all assets less all liabilities, except for:



- donated assets (including lottery funded assets)
- average daily cash balances held with the Government Banking Service (GBS) and National Loans Fund (NLF) deposits (excluding cash balances held in GBS accounts that relate to a short term working capital facility)
- any PDC dividend balance receivable or payable.

The average relevant net assets is calculated as a simple average of opening and closing relevant net assets. In accordance with the requirements laid down by the Department of Health and Social Care, the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result of the audit of the annual accounts. The PDC dividend calculation is based upon the trust's group accounts (i.e. including subsidiaries), but excluding consolidated charitable funds.

### 1.15 Value Added Tax

Most of the activities of the NHS Foundation 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 fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

### 1.16 Foreign Exchange

The functional and presentational currencies of the Trust are sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction. Where the Trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

- monetary items (other than financial instruments measured at 'fair value through income and expenditure') are translated at the spot exchange rate on 31 March;
- non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction; and
- non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expenditure in the period in which they arise. Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

### 1.17 Third Party Assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the NHS Foundation Trust has no beneficial interest in them. However, they are disclosed in note 30 to the accounts in accordance with the requirements of HM Treasury's Financial Reporting Manual.

### 1.18 Corporation Tax

The Trust is a Health Service Body within the meaning of S519A ICTA 1988 and accordingly is exempt from taxation in respect of income and capital gains within categories covered by this. There is a power for the Treasury to remove the exemption in relation to specified activities of a Foundation trust (s519A (3) to (8) ICTA 1988). Accordingly, the Trust is potentially within the future scope of income tax in respect of activities where income is received from a non-public sector source. The Charity is also exempt from corporation tax.

The tax expense on the Statement of Comprehensive Income comprises current and deferred tax due to the Trust's trading commercial subsidiary. Current tax is the expected tax payable for the year, using tax rates enacted or substantively enacted at the Statement of Financial Position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the Statement of Financial Position liability method, providing for temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised on taxable temporary differences arising on the initial recognition of goodwill or for temporary differences arising from the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit.

Deferred taxation is calculated using rates that are expected to apply when the related deferred asset is realised or the deferred taxation liability is settled. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised.

### 1.19 Critical accounting judgements and key sources of estimation and 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.

#### Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below) that management has made in the process of applying the Trust's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

- Accounting for PFI
- Application of IFRIC 4 Determining whether an Arrangement contains a Lease
- Application of IFRIC12 Service Concession Arrangements

#### Key sources of estimation uncertainty

The following are assumptions about the future and other major 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.

- **Valuation of Non-Current Assets**

Modern equivalent asset valuation of property

As detailed in accountancy policy note 1.5 'Property, plant and equipment' The District Valuer provided the Trust with a valuation of the land and building assets (estimated fair value and remaining useful life). The significant estimation being the specialised building - depreciation replacement value, using modern equivalent asset optimised alternative site methodology, of the hospital sites (Russell's Hall, Corbett and Guest). The result of this valuation, based on estimates provided by a suitably qualified professional in accordance with HM Treasury guidance, is disclosed in note 13 to the financial statements on page 122. Future revaluations of the Trust's property may result in further material changes to the carrying value of non-current assets.

- **Asset Lives**

The Trusts' buildings and equipment are depreciated over their remaining useful economic lives as described in note 1.5. Management assesses the useful economic life of an asset when it is brought into use and periodically reviews for reasonableness. Lives are based on physical lives of similar class of asset as calculated by the District Valuer and updated by management to make a best estimate of the useful economic life which can result in an extension to the lives of these assets.

- **Provisions**

- **Settlement of Over Performance with Healthcare Purchasers**

## 1.20 Accounting Standards that have been issued but have not yet been adopted

The following standards and interpretations have been issued by the IASB but are yet to be adopted by the public sector. These are not expected to impact upon the Trust financial statements.

### IFRS 16 Leases

Application required for accounting periods beginning on or after 1 January 2019, but not yet adopted by the FReM, early adoption is not therefore permitted. The new leasing standard will see almost all of the Trust leases moving onto the balance sheet. The standard requires that the right to use an asset is put onto the Trust's balance sheet along with the obligation to repay the lessor over the term of the lease (much the same as the current accounting for finance leases). The only exception to this would be leases where the term is less than 12 months. The Trust has begun work to establish the scope and value of contracts containing a lease which would be captured within this standard.

### IFRS 17 Insurance Contracts

Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM, early adoption is not therefore permitted. This is not expected to have a material impact on the Trust's Accounts.

### IFRS 23 Uncertainty over Income Tax Treatments

Application required for accounting periods beginning on or after 1 January 2019. This is not expected to have a material impact on the Trust's Accounts.

## 1.21 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases

are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had NHS Trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

However the losses and special payments note is compiled directly from the losses and compensations register which reports on an accruals basis with the exception of provisions for future losses.

## 1.22 Transfers of functions to/from other NHS/Local Government Bodies

For functions that have been transferred to the Trust from another NHS 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 their 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 property plant and equipment assets and intangible assets, the Cost and Accumulated Depreciation/Amortisation balances from the transferring entity's accounts are preserved on recognition in the Trust's accounts. Where the transferring body recognised revaluation reserve balances attributable to the assets, the Trust makes a transfer from its income and expenditure reserve to its revaluation reserve to maintain transparency within public sector accounts.

For functions that the Trust has transferred to another NHS/Local Government Body, the assets and liabilities are de-recognised from the accounts as at the date of transfer. The net loss/gain corresponding to the net assets/liabilities transferred is recognised within expenses/income, but not within operating activities. Any revaluation reserve balances attributable to assets de-recognised are transferred to the income and expenditure reserve. Adjustments to align the acquired function to the Foundation Trust's policies are applied after initial recognition and are adjusted directly in taxpayers' equity.

## 1.23 Provider Transformation Fund

The Trust has recognised £7.797m of the Provider Sustainability (PSF) Income in 2018-19. £4.115 M of this amount related to a core element of the fund which the Trust received for achieving its financial targets in quarter 1 to quarter 3 of the year. In addition the Trust received £3.682m incentive general distribution PSF based on the balance of unearned PSF after the core, incentive and bonus scheme payments, which was available to all providers that signed up to a control total in 2018/19. This was on a sliding scale based on distance from the control total weighted by initial PSF allocations set by NHSI.

The £7.797m is recognised in other operating income within the statement of comprehensive income. The Trust was paid £4.115m during 2018/19 with the remaining £3.682m stated as accrued income within trade and other receivables on the statement of financial position.

## 2 Segmental Analysis

The analysis by business segment is presented in accordance with IFRS 8 Operating Segments, on the basis of those segments whose operating results are regularly reviewed by the Board (the Chief Operating Decision Maker as defined by IFRS 8) as follows:

### Healthcare Services

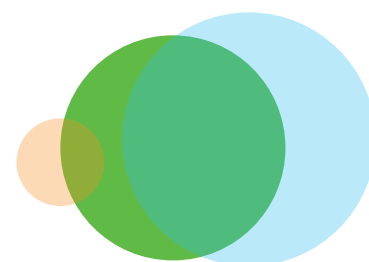
The Board as 'Chief Operating Decision Maker' has determined that Healthcare Services operate in a single operating segment, which is the provision of healthcare services. The segmental reporting format reflects the Trust's management and internal reporting structure.

The Trust has identified segments in line with the thresholds in IFRS 8, applying the requirement of the DH GAM to consider expenditure instead of income as income is not analysed between segments in our monthly finance report to the Trust Board.

Following a significance test of the expenditure segments the Trust found that there were three significant operating segments subject to the external reporting requirements of IFRS 8. Applying the aggregation criteria to the Trust's three significant operating segments found that in all cases the segments had similar economic characteristics, the nature of the services are similar, the nature of the production process are similar, the type or class of customer for the services are similar, the methods used to provide the services are similar and the nature of the regulatory environment is similar.

The Trust's significant operating segments satisfy all of the criteria listed for an aggregation to be deemed appropriate. The three significant operating segments of the Trust are all active in the same business – the provision of healthcare, and all operate within the same economic environment – the United Kingdom. Given that the purpose of disclosing segmental information is to enable users of the financial statements to evaluate the nature and financial effects of business activities and economic environments, reporting a single segment of "Healthcare" would be consistent with the core principle of IFRS 8, as it would show the singular nature of both the business activity and the economic environment of the Trust.

Income from activities (medical treatment of patients) is analysed by customer type in note 3 to the accounts on page 111. Other operating income is analysed in note 4 to the accounts on page 113 and materially consists of revenues from healthcare, research and development, medical education, and the provision of services to other NHS bodies. Total income by individual customers within the whole of HM Government and considered material, is disclosed in the related parties transactions note 27 to the accounts on page 132.





### Dudley Clinical Services Limited

The company is a wholly owned subsidiary of the Trust and provides an Outpatient Dispensing service. As a trading company, subject to an additional legal and regulatory regime (over and above that of the Trust), this activity is considered to be a separate business segment whose individual operating results are reviewed by the Trust Board (the Chief Operating Decision Maker).

A significant proportion of the company's revenue is inter segment trading with the Trust which is eliminated upon the consolidation of these group financial statements. The quarterly performance report to the Chief Operating Decision Maker reports financial summary information in the format of the table on page 90.

### Dudley Group NHS Charity

The Trust Board is corporate trustee for Dudley Group NHS Charity. Following Treasury's agreement to apply IFRS 10 to NHS Charities from 1st April 2013, the Trust has established that as the Trust is the corporate trustee of the linked NHS Charity, it effectively has the power to exercise control so as to obtain economic benefits. The Charity is therefore treated as a group entity and is consolidated. The consolidation is for reporting purposes only and does not affect the charities' legal and regulatory independence and day to day operations. Some of the charity's expenditure is inter segment trading with the Trust which is eliminated upon the consolidation of these group financial statements. The quarterly performance report to the Chief Operating Decision Maker reports financial summary information in the format of the table on page 90.



## 2 Segmental Analysis (continued)

Year ended 31 March 2019

	Healthcare Services £'000	Dudley Clinical Services Limited £'000	Dudley Group NHS Charity £'000	Inter Group Eliminations £'000	Total £'000
Total segment revenue	372,985	5,101	616	(5,423)	373,279
Total segment expenditure	(360,700)	(4,908)	(527)	5,423	(360,712)
<b>Operating Surplus/(Deficit)</b>	12,285	193	89	0	12,567
Net Financing	(11,609)	1	50	0	(11,558)
PDC Dividends Payable	(1,981)	0	0	0	(1,981)
Taxation	0	(37)	0	0	(37)
<b>Retained surplus/(deficit) - before non-recurring items</b>	(1,305)	157	139	0	(1,009)
Non-recurring items	0	0	0	0	0
<b>Retained surplus/(deficit)</b>	(1,305)	157	139	0	(1,009)
Reportable Segment assets	228,114	1,042	2,220	0	231,376
Eliminations	0	0	0	(47)	(47)
<b>Total assets</b>	228,114	1,042	2,220	(47)	231,329
Reportable Segment liabilities	(154,638)	(363)	(32)	0	(155,033)
Eliminations	0	0	0	47	47
<b>Total liabilities</b>	(154,638)	(363)	(32)	47	(154,986)
<b>Net assets/liabilities</b>	73,476	679	2,188	0	76,343

All Property, Plant and Equipment 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.

Total segment revenue	352,741	5,407	409	(5,718)	352,839
Total segment expenditure	(345,972)	(5,216)	(846)	5,718	(346,316)
<b>Operating Surplus/(Deficit)</b>	6,769	191	(437)	0	6,523
Net Financing	(10,973)	2	49	0	(10,922)
PDC Dividends Payable	(3,129)	0	0	0	(3,129)
Taxation	0	(37)	0	0	(37)
<b>Retained surplus/(deficit) - before non-recurring items</b>	(7,333)	156	(388)	0	(7,565)
Non-recurring items	56	0	0	0	56
<b>Retained surplus/(deficit)</b>	(7,277)	156	(388)	0	(7,509)
Reportable Segment assets	280,788	791	2,046	0	283,625
Eliminations	0	0	0	(88)	(88)
<b>Total assets</b>	280,788	791	2,046	(88)	283,537
Reportable Segment liabilities	(153,662)	(269)	(41)	0	(153,972)
Eliminations	0	0	0	88	88
<b>Total liabilities</b>	(153,662)	(269)	(41)	88	(153,884)
<b>Net assets/liabilities</b>	127,126	522	2,005	0	129,653

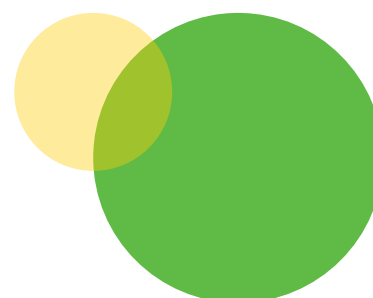
### 3 Operating income from patient care activities

#### 3.1 By Commissioner

	Year Ended 31 March 2019 £'000	Year Ended 31 March 2018 £'000
NHS England	41,961	43,821
Clinical Commissioning Groups	289,725	272,775
NHS Foundation Trusts	12	17
NHS Trusts	2,978	3,448
Local Authorities	1,753	1,885
Department of Health & Social Care	3,016	0
NHS Other	212	212
Non NHS: Private patients	19	35
Non-NHS: Overseas patients (chargeable to patient)	108	196
NHS injury scheme (was RTA)	1,005	686
Non NHS: Other	68	112
<b>Total income from activities</b>	<b>340,857</b>	<b>323,187</b>

#### 3.2 By Nature

	Year Ended 31 March 2019 £'000	Year Ended 31 March 2018 £'000
<b>Acute Services</b>		
Elective income	48,435	48,443
Non-Elective income	95,797	91,141
First Outpatient income	31,603	25,948
Follow-up outpatient income	26,221	23,679
A&E income	14,766	13,634
High cost drugs income from Commissioners	28,251	28,077
Other NHS Clinical Income	69,001	64,349
<b>Community Services</b>		
Income from CCG's and NHS England	22,188	19,307
Income from other sources (e.g. local authorities)	607	642
<b>Income at Tariff</b>	<b>336,869</b>	<b>315,220</b>
<b>Private Patients</b>	<b>19</b>	<b>35</b>
Agenda for change pay award central funding	3,016	0
Other clinical income	953	7,932
<b>Total income from activities</b>	<b>340,857</b>	<b>323,187</b>



### 3.3 Income from Commissioner Requested Services and Non-Commissioner Requested Services

Under the terms of its Provider Licence, the Trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the provider licence and are services that commissioners believe would need to be protected in the event of provider failure. This information is provided in the table below:-

	Year Ended 31 March 2019 £'000	Year Ended 31 March 2018 £'000
Income from Commissioner Requested Services	314,074	295,271
Income from Non Commissioner Requested Services	22,795	19,949
Income from Activities	336,869	315,220
Other Clinical Income	972	7,967
Agenda for change pay award central funding	3,016	0
<b>Total Income</b>	<b>340,857</b>	<b>323,187</b>
Other NHS Clinical Income comprises the following services pathology; rehabilitation; community support services; radiology; renal services; patient transport services; and appliances.		

### 3.4 Additional information on contract revenue (IFRS 15) recognised in the period

	2018/19 £'000
Revenue recognised in the reporting period that was included within contract liabilities at the previous period end	142
Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods	1,603

### 3.5 Transaction price allocated to remaining performance obligations

	2018/19 £'000
Revenue from existing contracts allocated to remaining performance obligations is expected to be recognised:	
- within one year	2,535
- after one year not later than five years	0
- after five years	0
	<b>2,535</b>

### 3.6 Private Patient Income

The statutory limitation on private patient income in section 44 of the 2006 Act was repealed with effect from 1 October 2012 by the Health and Social Care Act 2012. The annual report and accounts disclosures that were provided previously are now no longer required.



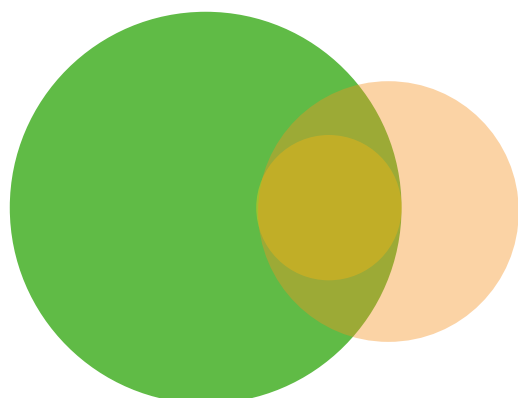
### 3.7 Overseas Visitors

	Year Ended 31 March 2019 £'000	Year Ended 31 March 2018 £'000
Income recognised this year	108	196
Cash payments received in-year	52	44
Amounts added to provision for impairment of receivables	86	190
Amounts written off in-year	30	38

### 4 Other Operating Income

	Year Ended 31 March 2019 £'000	Year Ended 31 March 2018 £'000
<b>Recognised in IFRS15:</b>		
Research and development	1,357	1,341
Education and training	11,432	11,347
Non-patient care services to other bodies	5,696	5,405
Provider Sustainability Fund (PSF) Income	7,797	4,728
Income in respect of employee benefits accounted for on a gross basis	2,697	2,687
Other*	2,090	3,215
<b>Recognised in accordance with other standards:</b>		
Research and development	0	0
Education and training - apprenticeship fund	279	27
Charitable asset donations	99	187
Charitable contributions to expenditure	0	0
Rental revenue from Operating Leases - contingent rent	359	306
NHS Charitable Funds incoming resources excluding investment income	616	409
Other (recognised in accordance with standards other than IFRS15)	0	0
<b>Total other operating income</b>	<b>32,422</b>	<b>29,652</b>

\*Other income is derived from Staff Recharges £2,697,000 (2017/18 £2,687,000); Pharmacy Drugs £758,000 (2017/18 £755,000); and numerous other small amounts.



## 5 Operating Expenses of continuing operations

### 5.1 Operating Expenses

	Year Ended 31 March 2019 £'000	Year Ended 31 March 2018 £'000
Purchase of healthcare from NHS and DHSC bodies	6,351	3,026
Purchase of healthcare from non-NHS and non-DHSC bodies	1,371	1,519
Staff and executive directors costs	226,972	213,300
Non-executive directors	157	139
Supplies and services - clinical (excluding drug costs)	26,933	27,716
Supplies and services - general	1,405	1,438
Drug costs (inventory consumed and purchase of non-inventory drugs)	34,568	32,699
Drugs Inventories written down	0	0
Consultancy costs	2,387	1,011
Establishment	1,993	1,932
Premises - Business Rates	1,399	1,407
Premises - Other	4,336	3,773
Transport - Business Travel	708	661
Transport - Other	97	102
Depreciation on property, plant and equipment	6,214	8,396
Amortisation on intangible assets	729	855
Impairments net of (reversals)	154	1,428
Movement in credit loss allowance: contract receivables/assets	22	0
Movement in credit loss allowance: all other receivables and investments	0	140
Audit fees payable to the external auditor:		
- Audit services	76	69
- Other Auditor Remuneration	4	4
- NHS Charitable Fund Accounts	0	6
Internal audit - non staff costs	130	148
Clinical negligence	12,403	14,996
Legal Fees	224	155
Insurance	185	165
Research and development - staff costs	1,240	1,366
Research and development - non staff	42	82
Education and training - staff costs	0	0
Education and training - non staff	493	517
Education and training - apprenticeship fund	279	27
Operating lease expenditure	3,027	2,672
Redundancy	0	0
Charges to operating expenditure for on-SOFP IFRIC 12 schemes e.g. PFI	22,284	22,552
Car Parking and security	18	0
Hospitality	78	0
Other losses and special payments	27	16
Other NHS Charitable funds resources expended	440	796
Other	3,966	3,203
<b>TOTAL</b>	<b>360,712</b>	<b>346,316</b>

Other expenditure includes numerous small amounts.

### 5.2 The Late Payment of Commercial Debts (interest) Act 1998

During the year 2018/19 the Trust paid £1,000 (2017/18 £nil) for interest for the late payment of commercial debts.

## 6 Employee Expenses and Numbers

### 6.1 Employee Benefits

	Year Ended 31 March 2019			Year Ended 31 March 2018		
	Total £'000	Permanent £'000	Other £'000	Total £'000	Permanent £'000	Other £'000
Salaries and wages	177,402	175,114	2,288	167,506	165,311	2,195
Social security costs	16,809	16,809	0	15,855	15,855	0
Apprenticeship Levy	866	866	0	812	812	0
Employer's contributions to NHS Pensions	19,386	19,386	0	18,721	18,721	0
Pension Cost - other	48	48	0	20	20	0
Termination Benefits	0	0	0	0	0	0
Temporary Staff (including agency)	13,655	0	13,655	11,708	0	11,708
NHS Charitable funds staff	46	46	0	44	44	0
<b>Total</b>	<b>228,212</b>	<b>212,269</b>	<b>15,943</b>	<b>214,666</b>	<b>200,763</b>	<b>13,903</b>

### 6.2 Average Number of Persons Employed

This information can now be found in the staff report section of the accountability report within the annual report and accounts.

### 6.3 Employee Benefits

Employees benefits include payment of salaries/wages and pension contributions. There were no other employee benefits paid in 2018/19 (2017/18 £ nil).

### 6.4 Retirements due to Ill-health

During the year 2018/19 there were 2 (in 2017/18 there were 0) early retirements from the Trust on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £88,122 (2017/18 £nil).

The cost of these ill-health retirements is borne by the NHS Business Services Authority - Pensions Division, and therefore there is no liability or provision in the Trust annual report and accounts.

### 6.5 Sickness Absence

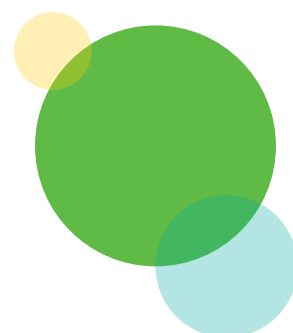
The detail of staff sickness / absence from work for the year are:

	For the Year 2018	For the Year 2019
Total Days Lost	45,354	40,906
Total Staff Years	4,345	4,273
Average Working Days Lost Per WTE	10	10

This sickness absence data represents the calendar year ended 31 December not the financial year.

### 6.6 Other Compensation Schemes and Exit Packages

This information can now be found in the staff report section of the annual report and accounts.



## 7 Directors' Remuneration and other benefits

	Year Ended 31 March 2019 £'000	Year Ended 31 March 2018 £'000
Salary	1,035	973
Taxable Benefits	5	3
Performance Related Bonuses	0	0
Employer contributions to a pension scheme	113	98
	<b>1,153</b>	<b>1,074</b>

Further details of directors' remuneration can be found in the remuneration report.

## 8 Operating Leases

### 8.1 Payments and future commitments

	Year Ended 31 March 2019 £'000	Year Ended 31 March 2018 £'000
Minimum lease payments	3,027	3,027
	<b>3,027</b>	<b>3,027</b>
Total future minimum lease payments		
Payable:		
Not more than one year	2,614	2,607
Between one and five years	229	242
After 5 years	61	0
<b>Total</b>	<b>2,904</b>	<b>2,849</b>

### 8.2 Income and future receipts

	Year Ended 31 March 2019 £'000	Year Ended 31 March 2018 £'000
Contingent rent	359	306
	<b>359</b>	<b>306</b>
Total future minimum lease income		
Receivable:		
Not more than one year	359	297
Between one and five years	29	34
After 5 years	39	46
<b>Total</b>	<b>427</b>	<b>377</b>



## 9 Finance Income

	Year Ended 31 March 2019 £'000	Year Ended 31 March 2018 £'000
Interest on bank accounts	188	68
NHS Charitable funds: investment income	50	49
	<b>238</b>	<b>117</b>

## 10 Finance Expense - Financial Liabilities

	Year Ended 31 March 2019 £'000	Year Ended 31 March 2018 £'000
Interest Expense:		
Other	0	0
Finance Costs in PFI obligations:		
Main Finance Costs	4,996	5,174
Contingent Finance Costs	6,800	5,865
	<b>11,796</b>	<b>11,039</b>

## 11 Corporation tax expense

The activities of the subsidiary company Dudley Clinical Services Limited have given rise to a corporation tax liability recognised in the Statement of Comprehensive Income of £37,000 (2017/18 £37,000). The activities of the Trust and the Charity do not incur corporation tax.

UK Corporation Tax Expense	Year Ended 31 March 2019 £'000	Year Ended 31 March 2018 £'000
<b>Current tax expense</b>		
Current year	37	37
Adjustments in respect of prior years	0	0
<b>Total income tax expense in Statement of Comprehensive Income</b>	<b>37</b>	<b>37</b>
<b>Reconciliation of effective tax rate</b>		
Effective tax charge percentage	19%	19%
Tax if effective tax rate charged on surpluses before tax	(884)	(1,430)
<b>Effect of:</b>		
Surpluses not subject to tax	921	1,467
<b>Total income tax charge for the year</b>	<b>37</b>	<b>37</b>
The subsidiary company falls under the 'small profits' rate for corporation tax and tax rates are not planned to change from 19% for future financial years.		

## 12 Intangible Assets

2018/19	Group		
	Computer Software £'000	Asset Under Construction £'000	Total £'000
Gross Cost as at 1 April 2018	8,194	0	8,194
Prior period Adjustments	0	0	0
Gross Cost as at 1 April 2018 restated	8,194	0	8,194
Additions Purchased	169	1,809	1,978
Additions Donated	0	0	0
Reclassification*	1,184	2,720	3,904
Impairments	0	0	0
Disposals	(373)	0	(373)
Gross Cost as at 31 March 2019	9,174	4,529	13,703
Amortisation as at 1 April 2018	4,902	0	4,902
Prior period Adjustments	0	0	0
Amortisation as at 1 April 2018 restated	4,902	0	4,902
Provided during the Year	729	0	729
Disposals	(373)	0	(373)
Amortisation as at 31 March 2019	5,258	0	5,258
Net Book Value			
Purchased at 1 April 2018	3,270	0	3,270
Donated at 1 April 2018	22	0	22
Total at 1 April 2018	3,292	0	3,292
Net Book Value			
Purchased at 31 March 2019	3,902	4,529	8,431
Donated at 31 March 2019	14	0	14
Total at 31 March 2019	3,916	4,529	8,445

2017/18	Group		
	Computer Software £'000	Asset Under Construction £'000	Total £'000
Gross Cost as at 1 April 2017	6,646	78	6,724
Prior period Adjustments	0	0	0
Gross Cost as at 1 April 2017 restated	6,646	78	6,724
Additions Purchased	1,470	0	1,470
Additions Donated	0	0	0
Reclassification	78	(78)	0
Impairments	0	0	0
Disposals	0	0	0
Gross Cost as at 31 March 2018	8,194	0	8,194
Amortisation as at 1 April 2017	4,047	0	4,047
Prior period Adjustments	0	0	0
Amortisation as at 1 April 2017 restated	4,047	0	4,047
Provided during the Year	855	0	855
Disposals	0	0	0
Amortisation as at 31 March 2018	4,902	0	4,902
Net Book Value			
Purchased at 1 April 2017	2,560	78	2,638
Donated at 1 April 2017	39	0	39
Total at 1 April 2017	2,599	78	2,677
Net Book Value			
Purchased at 31 March 2018	3,270	0	3,270
Donated at 31 March 2018	22	0	22
Total at 31 March 2018	3,292	0	3,292

\*Reclassification of £3,904,000 from assets under construction property, plant and equipment, see note 13.

A separate schedule for the Trust intangible assets has not been produced as the NHS Charity intangible assets represent just £nil (31 March 2018 £nil) of the net book value held by the Group and the subsidiary does not have any intangible assets.

## 13 Property, Plant and Equipment

### 13.1 2018/19

	Group								
	Total	Land	Buildings excluding dwellings	Dwellings	Assets under Construction and POA	Plant and Machinery	Transport Equipment	Information Technology	Furniture and Fittings
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost at 1 April 2018	271,715	25,150	195,401	0	4,575	34,707	145	10,822	915
Additions - purchased	7,002	0	4,069	0	3	1,699	7	1,186	38
Additions - leased	1,999	0	0	0	0	1,999	0	0	0
Additions - donated	99	0	0	0	0	77	0	22	0
Impairments charged to operating expenses	(185)	0	(185)	0	0	0	0	0	0
Impairments charged to the revaluation reserve	(42,569)	0	(42,569)	0	0	0	0	0	0
Reclassifications*	(3,904)	0	8	0	(4,575)	5	0	658	0
Revaluations	(13,735)	(13,735)	0	0	0	0	0	0	0
Disposals	(6,401)	0	0	0	0	(5,336)	0	(1,028)	(37)
<b>Cost at 31 March 2019</b>	<b>214,021</b>	<b>11,415</b>	<b>156,724</b>	<b>0</b>	<b>3</b>	<b>33,151</b>	<b>152</b>	<b>11,660</b>	<b>916</b>
Accumulated depreciation at 1 April 2018	35,342	0	0	0	0	27,160	118	7,412	652
Provided during the year	6,214	0	2,610	0	0	2,390	15	1,118	81
Impairments charged to the revaluation reserve	(2,579)	0	(2,579)	0	0	0	0	0	0
Impairments charged to operating expenses	(31)	0	(31)	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0	0	0
Disposals	(6,401)	0	0	0	0	(5,336)	0	(1,028)	(37)
<b>Accumulated depreciation at 31 March 2019</b>	<b>32,545</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>24,214</b>	<b>133</b>	<b>7,502</b>	<b>696</b>
<b>Net book value</b>									
NBV - Owned at 1 April 2018	57,879	25,150	20,062	0	4,575	4,437	27	3,365	263
NBV - PFI at 1 April 2018	178,227	0	175,339	0	0	2,888	0	0	0
NBV - Donated at 1 April 2018	267	0	0	0	0	222	0	45	0
<b>NBV total at 1 April 2018</b>	<b>236,373</b>	<b>25,150</b>	<b>195,401</b>	<b>0</b>	<b>4,575</b>	<b>7,547</b>	<b>27</b>	<b>3,410</b>	<b>263</b>
NBV - Owned at 31 March 2019	38,680	11,415	18,345	0	3	4,588	19	4,103	207
NBV - PFI at 31 March 2019	142,509	0	138,379	0	0	4,130	0	0	0
NBV - Donated at 31 March 2019	287	0	0	0	0	219	0	55	13
<b>NBV total at 31 March 2019</b>	<b>181,476</b>	<b>11,415</b>	<b>156,724</b>	<b>0</b>	<b>3</b>	<b>8,937</b>	<b>19</b>	<b>4,158</b>	<b>220</b>

A separate schedule for the Trust tangible assets has not been produced as neither the NHS Charity or the subsidiary Dudley Clinical Services Limited have any tangible assets.

\* Reclassification of £3,904,000 from assets under construction to intangible assets under construction, see note 12.

## 13 Property, Plant and Equipment (continued)

13.2 2017/18	Group								
	Total	Land	Buildings excluding dwellings	Dwellings	Assets under Construction and POA	Plant and Machinery	Transport Equipment	Information Technology	Furniture and Fittings
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost at 1 April 2017	241,308	25,150	173,028	0	985	32,650	118	8,671	706
Additions - purchased	14,611	0	6,618	0	3,917	1,808	35	2,005	228
Additions - leased	1,101	0	0	0	0	1,101	0	0	0
Additions - donated	187	0	0	0	0	137	0	50	0
Impairments charged to operating expenses	(1,428)	0	(1,428)	0	0	0	0	0	0
Impairments charged to the revaluation reserve	(555)	0	(555)	0	0	0	0	0	0
Reclassifications	(217)	0	5	0	(327)	5	0	103	2
Revaluations	17,733	0	17,733	0	0	0	0	0	0
Disposals	(1,025)	0	0	0	0	(989)	(8)	(7)	(21)
<b>Cost at 31 March 2018</b>	<b>271,715</b>	<b>25,150</b>	<b>195,401</b>	<b>0</b>	<b>4,575</b>	<b>34,707</b>	<b>145</b>	<b>10,822</b>	<b>915</b>
Accumulated depreciation at 1 April 2017	32,826	0	0	0	0	25,674	103	6,442	607
Provided during the year	8,396	0	4,860	0	0	2,474	23	977	62
Impairments charged to the revaluation reserve	(50)	0	(50)	0	0	0	0	0	0
Revaluations	(4,810)	0	(4,810)	0	0	0	0	0	0
Disposals	(1,020)	0	0	0	0	(988)	(8)	(7)	(17)
<b>Accumulated depreciation at 31 March 2018</b>	<b>35,342</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>27,160</b>	<b>118</b>	<b>7,412</b>	<b>652</b>
<b>Net book value</b>									
NBV - Owned at 1 April 2017	50,490	25,150	17,746	0	985	4,270	15	2,227	97
NBV - PFI at 1 April 2017	157,817	0	155,282	0	0	2,535	0	0	0
NBV - Donated at 1 April 2017	175	0	0	0	0	171	0	2	2
<b>NBV total at 1 April 2018</b>	<b>208,482</b>	<b>25,150</b>	<b>173,028</b>	<b>0</b>	<b>985</b>	<b>6,976</b>	<b>15</b>	<b>2,229</b>	<b>99</b>
NBV - Owned at 31 March 2018	57,879	25,150	20,062	0	4,575	4,437	27	3,365	263
NBV - PFI at 31 March 2018	178,227	0	175,339	0	0	2,888	0	0	0
NBV - Donated at 31 March 2018	267	0	0	0	0	222	0	45	0
<b>NBV total at 31 March 2018</b>	<b>236,373</b>	<b>25,150</b>	<b>195,401</b>	<b>0</b>	<b>4,575</b>	<b>7,547</b>	<b>27</b>	<b>3,410</b>	<b>263</b>

A separate schedule for the Trust tangible assets has not been produced as neither the NHS Charity or the subsidiary Dudley Clinical Services Limited have any tangible assets.



## 13.3 Financing of Property, Plant and Equipment

Net Book Value At 31 March 2019	Total	Land	Buildings excluding dwellings	Dwellings	Assets under Construction and POA	Group Plant and Machinery	Transport Equipment	Information Technology	Furniture and Fittings
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Owned	38,680	11,415	18,345	0	3	4,588	19	4,103	207
On Statement of Financial Position PFI contracts and other service concession arrangements	142,509	0	138,379	0	0	4,130	0	0	0
Donated	287	0	0	0	0	219	0	55	13
	<b>181,476</b>	<b>11,415</b>	<b>156,724</b>	<b>0</b>	<b>3</b>	<b>8,937</b>	<b>19</b>	<b>4,158</b>	<b>220</b>
<b>At 31 March 2018</b>									
Owned	57,879	25,150	20,062	0	4,575	4,437	27	3,365	263
On Statement of Financial Position PFI contracts and other service concession arrangements	178,227	0	175,339	0	0	2,888	0	0	0
Donated	267	0	0	0	0	222	0	45	0
	<b>236,373</b>	<b>25,150</b>	<b>195,401</b>	<b>0</b>	<b>4,575</b>	<b>7,547</b>	<b>27</b>	<b>3,410</b>	<b>263</b>

A separate schedule for the Trust tangible assets has not been produced as neither the NHS Charity or the subsidiary Dudley Clinical Services Limited have any tangible assets.

## 13.4 Analysis of Property, Plant and Equipment

Net Book Value At 31 March 2019	Total	Land	Buildings excluding dwellings	Dwellings	Assets under Construction and POA	Plant and Machinery	Transport Equipment	Information Technology	Furniture and Fittings
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Commissioner Requested Assets	158,772	11,415	147,357	0	0	0	0	0	0
Non Commissioner Requested Assets	22,704	0	9,367	0	3	8,937	19	4,158	220
	<b>181,476</b>	<b>11,415</b>	<b>156,724</b>	<b>0</b>	<b>3</b>	<b>8,937</b>	<b>19</b>	<b>4,158</b>	<b>220</b>
<b>At 31 March 2018</b>									
Commissioner Requested Assets	210,968	25,150	185,818	0	0	0	0	0	0
Non Commissioner Requested Assets	25,405	0	9,583	0	4,575	7,547	27	3,410	263
	<b>236,373</b>	<b>25,150</b>	<b>195,401</b>	<b>0</b>	<b>4,575</b>	<b>7,547</b>	<b>27</b>	<b>3,410</b>	<b>263</b>

Commissioner Requested assets are land and buildings owned or leased by the Foundation Trust, the disposal of which may affect the Trust's ability to provide these requested goods and services.

## 13.5 Economic Life of Assets

The estimated useful economic lives of the Group's intangible and tangible assets are as follows with each asset being depreciated over this year, as described in accounting policy notes 1.5 and 1.6.

	Minimum Life Years	Maximum Life Years
<b>Intangible</b>		
Software Licences	2	10
<b>Tangible</b>		
Buildings excluding dwellings	5	90
Dwellings	0	0
Assets under Construction & POA	0	0
Plant & Machinery	5	15
Transport Equipment	7	7
Information Technology	5	10
Furniture & Fittings	5	10

Land does not depreciate.

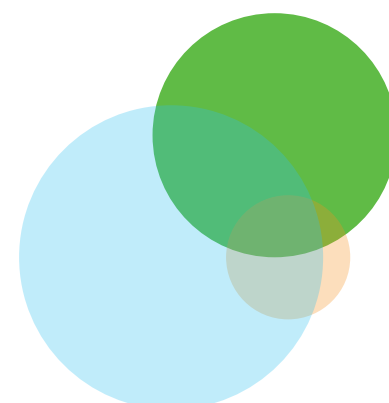
The Trust has applied extended asset lives to operational buildings in 2018/19. The District Valuer has provided management with an assessment of the physical lives based on a similar class of assets. Trust management has then depreciated the buildings based on the extended life provided. The extended lives principal was applied to the accounts from 1st April 2018 and building depreciation for the whole year has been calculated using this methodology. The impact of applying extended asset lives has resulted in a lower depreciation charge of £2.169m.

## 13.6 Impairment Losses

The Trust carried out an impairment review of its non-current assets in March 2019. For land and buildings the Trust received a valuation report from the District Valuer prepared on a Modern Equivalent Asset (MEA) basis. The valuation report was prepared

in accordance with the terms of the Royal Institution of Chartered Surveyors' Valuation Standards, 6th Edition, insofar as the terms are consistent with the requirements of HM Treasury, the National Health Service and NHSI. On application there was a decrease in the value of land (£13.7m) and a general decrease in value of buildings (£39.886m) compared to the carrying value following the March 2018 valuation. In line with IFRS the Trust took the increase in value of the buildings directly to the revaluation reserve. The valuation for the Guest Ambulatory Centre resulted in an impairment of £0.154m.

In addition the Trust undertook an impairment review of equipment and intangible assets. The carrying value of equipment and intangible assets was deemed to fairly reflect the value of the assets.



	31 March 2019 £'000	31 March 2018 £'000
<b>Impairment of Assets</b>		
Changes in market price	154	1,428
Unforeseen Obsolescence	0	0
Net impairments charged to the revaluation reserve	39,990	505
<b>Total impairments</b>	<b>40,144</b>	<b>1,933</b>

## 13.7 Asset Valuations

A Modern Equivalent Asset Optimised Alternative Site valuation was undertaken as at 1st April 2018 by the District Valuer. The underlying principal is that the valuation of land and buildings should reflect a modern configuration of the estate required for the provision of the same services as already provided by the existing estate. With service delivery requirements evolving, this requires the Trust to consider whether the existing buildings and sites are optimal in terms of number and size. If the Trust were starting with a 'clean sheet', the Modern Equivalent Asset aligned to service delivery would be very different to the current layout in terms of building configuration and the size of the

land. The net book value of the Trust's land and buildings decreased by £52,412,000 between 31 March 2018 and 31 March 2019, of which £41,768,000 was the result of using an optimised alternative site valuation.

## 13.8 Non Current Assets Held For Sale

During the year 2018/19 there were no Non Current Assets held for sale (2017/18 £ nil).

## 13.9 Capital Commitments

Commitments under capital expenditure contracts at the end of the year, not otherwise included in the annual report and accounts were £1,025,000 (2017/18 £2,244,000). The amount relating to property, plant and equipment is £207,000 (2017/18 £2,244,000) and intangible assets £817,000 (2017/18 £nil).

## 13.10 Gains/losses on disposal /derecognition of assets

	31 March 2019 £'000	31 March 2018 £'000
Gains on disposal/derecognition of other property, plant and equipment	0	63
Losses on disposal/derecognition of other property, plant and equipment	0	(7)
	<u>0</u>	<u>56</u>

## 14 Other Investments / financial assets

### 14.1 Investments

	2018/19 £'000	2017/18 £'000
Carrying Value at 1 April	1,316	1,311
Prior period adjustment	0	0
Carrying Value at 1 April restated	<u>1,316</u>	<u>1,311</u>
Fair value movements [taken to OCI] (for equity instruments designated as FV through OCI)	44	0
Comprehensive Income	0	0
Disposals	0	0
Carrying Value at 31 March	<u>1,360</u>	<u>1,316</u>

The investments are stocks and shares which are only held by Dudley Group NHS Charity. A separate schedule for the Trust investments has not been produced as the Trust does not have any investments (2017/18 £nil).

## 14.2 Subsidiaries

The Trust wholly owns the subsidiary company Dudley Clinical Services Limited with a share of £1. Dudley Clinical Services Limited, was registered in the UK company number 8245934 ,and commenced trading on 9 October 2012.

The registered address for the Trust, Charity and Subsidiary is Russells Hall Hospital, Dudley, DY1 2HQ.

## 15 Inventories

	Group		Foundation Trust	
	31 March 2019 £'000	31 March 2018 £'000	31 March 2019 £'000	31 March 2018 £'000
Drugs	2,301	1,760	2,129	1,616
Consumables	1,346	1,178	1,346	1,178
Energy	11	15	11	15
Other	39	38	39	38
<b>Total Inventories</b>	<b>3,697</b>	<b>2,991</b>	<b>3,525</b>	<b>2,847</b>

The Trust expensed £31,391,000 of inventories during the year (2017/18 £31,541,000). The Trust charged £nil to operating expenses in the year due to write-downs of obsolete inventories (2017/18 £nil).





## 16 Trade and Other Receivables

### 16.1 Trade and Other Receivables

	Group		Foundation Trust	
	31 March 2019 £'000	31 March 2018 £'000	31 March 2019 £'000	31 March 2018 £'000
<b>Current</b>				
Contract receivables (IFRS15): invoiced	5,525	0	5,525	0
Contract receivables (IFRS15): not yet invoiced/non-invoiced	6,477	0	6,477	0
Contract assets (IFRS15)	930	0	930	0
Trade receivables (comparative only)	0	6,896	0	6,896
Accrued income (comparative only)	0	2,492	0	2,492
Allowance for impaired contract receivables/assets	(389)	0	(389)	0
Allowance for other receivables	0	(854)	0	(854)
Deposits and Advances	7	0	7	0
Prepayments (revenue) non PFI	2,010	2,047	2,006	2,042
Interest Receivable	12	9	12	9
PDC dividend receivable	0	0	0	0
VAT receivable	1,277	1,253	1,117	1,102
Corporation and other taxes receivable	0	0	0	0
Other receivables	0	1,067	0	1,067
NHS Charitable funds: receivables	10	16	0	0
<b>Total Current Receivables</b>	<b>15,859</b>	<b>12,926</b>	<b>15,685</b>	<b>12,754</b>
				* Restated
	31 March 2019 £'000	31 March 2018 £'000	31 March 2019 £'000	31 March 2018 £'000
<b>Non Current</b>				
Contract assets (IFRS15)	1,251	0	1,251	0
Allowance for impaired contract receivables/assets	(274)	0	(274)	0
Prepayments(revenue) non PFI	1,828	1,915	1,828	1,915
PFI Lifecycle prepayments (revenue)	7,909	8,565	7,909	8,565
Other Receivables	0	1,546	0	1,546
NHS Charitable funds: receivables	2	0	0	0
<b>Total Non Current Receivables</b>	<b>10,716</b>	<b>12,026</b>	<b>10,714</b>	<b>12,026</b>

Current and non current contract assets include the NHS Injury Scheme (was RTA). Included within trade and other receivables of both Group and Trust are balances with a carrying amount of £2,367,000 (31 March 2018 £3,066,000) which are past due at the reporting date but for which no specific provision has been made as they are considered to be recoverable based on previous trading history.

Following the application of IFRS 15 from 1 April 2018, the trust's entitlements to consideration for work performed under contracts with customers are shown separately as contract receivables and contract assets. This replaces the previous analysis into trade receivables and accrued income. IFRS 15 is applied without restatement therefore the comparative analysis if receivables has not been restated under IFRS 15.

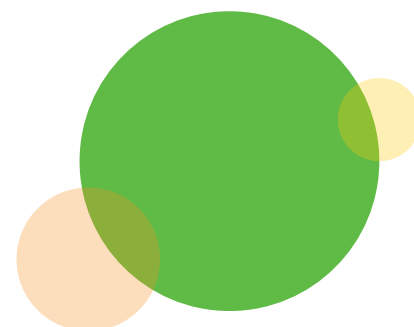
## 16.2 Allowances for credit losses (doubtful debts)

		Group	
		Contract	
		Receivables/	
		Contract	Other
	Total	Assets	Receivables
	£'000	£'000	£'000
<b>2018/19</b>			
<b>Following the implementation of IFRS15 and IFRS</b>			
Allowances at 1 April 2018	854	0	854
Impact of Implementing IFRS9 (and IFRS15)	0	854	(854)
Transfers by absorption	0	0	0
New allowances arising	0	0	0
Changes in existing allowances	478	478	0
Reversals of Allowances	0	0	0
Utilisation of allowances (write offs)	(456)	(456)	0
Changes arising following modification of contractual cashflows	(213)	(213)	0
Foreign exchange and other changes	0	0	0
<b>Allowances as at 31 March 2019</b>	<b>663</b>	<b>663</b>	<b>0</b>
Loss/(gain) recognised in expenditure note 5.	22	22	0

IFRS9 and IFRS15 have been adopted in 2018/19 without restatement therefore the analysis for 2017/18 is prepared in line with the requirements of IFRS7 prior to IFRS9 adoption. The format therefore differs to the current period disclosure.

	All Receivables £'000
<b>2017/18</b>	
Allowances as at 1 April 2017	794
Increase in provision	662
Amounts utilised	(80)
Unused amounts reversed	(522)
<b>Allowances as at 31 March 2018</b>	<b>854</b>

A separate schedule for allowances for credit losses have not been produced as neither the NHS Charity or the subsidiary Dudley Clinical Services Limited have any allowance for credit losses.



## 16.3 Analysis of receivables with credit loss assessment

	Group			
	31 March 2019		31 March 2018	
	Contract receivables and contract assets £'000	Other receivables £'000	Trade and other receivables £'000	Investments and other Assets £'000
<b>Ageing Analysis</b>				
0 - 30 Days	36	0	48	0
30 - 60 Days	45	0	45	0
60 - 90 Days	38	0	22	0
90 - 180 Days	78	0	67	0
over 180 Days (over 6 months)	466	0	673	0
<b>Total</b>	<b>663</b>	<b>0</b>	<b>855</b>	<b>0</b>

## 16.4 Analysis of receivables without credit loss assessment

	Group			
	31 March 2019		31 March 2018	
	Contract receivables and contract assets £'000	Other receivables £'000	Trade and other receivables £'000	Investments and other Assets £'000
<b>Ageing Analysis</b>				
0 - 30 Days	1,476	0	2,631	0
30 - 60 Days	361	0	392	0
60 - 90 Days	152	0	96	0
90 - 180 Days	456	0	251	0
over 180 Days (over 6 months)	1,398	0	2,327	0
<b>Total</b>	<b>3,843</b>	<b>0</b>	<b>5,697</b>	<b>0</b>

The categorisation of non impaired receivables has changed from April 2018 following the implementation of IFRS15.

Separate schedules for the Trust analysis of receivables have not been produced as the NHS Charity receivables are without credit loss assessment and represent just £12,000 (31 March 2018 £16,000) of the value shown by the Group in the 0-30 days category and the subsidiary did not have any receivables outstanding.

Credit loss impairments are not recognised against NHS receivables, in accordance with the DHSC Group Accounting Manual.

## 17 Other Investments / financial assets

	2018/19 £'000	2017/18 £'000
<b>Non Current</b>		
NHS Charitable funds: Other financial assets	0	0
<b>Current</b>		
NHS Charitable funds: Other financial assets	500	500
	<b>500</b>	<b>500</b>

A separate schedule for the Trust's other financial assets has not been produced as the Trust does not have any other financial assets (2017/18 £nil).

## 18 Cash and Cash Equivalents

	Group		Foundation Trust	
	31 March 2019 £'000	31 March 2018 £'000	31 March 2019 £'000	31 March 2018 £'000
At 1 April	14,113	18,026	13,496	17,367
Transfers By Absorption	0	0	0	0
Net change in year	(4,837)	(3,913)	(5,227)	(3,871)
<b>At 31 March</b>	<b>9,276</b>	<b>14,113</b>	<b>8,269</b>	<b>13,496</b>
Analysed as follows:				
Cash at commercial banks and in hand*	661	405	2	2
Cash with the Government Banking Service	8,615	13,708	8,267	13,494
Other current investments	0	0	0	0
<b>Cash and cash equivalents as in Statement of Financial Position</b>	<b>9,276</b>	<b>14,113</b>	<b>8,269</b>	<b>13,496</b>
Bank overdraft	0	0	0	0
<b>Cash and cash equivalents as in Statement of Cash Flows</b>	<b>9,276</b>	<b>14,113</b>	<b>8,269</b>	<b>13,496</b>

## 19 Trade and Other Payables

	Group		Foundation Trust	
	31 March 2019 £'000	31 March 2018 £'000	31 March 2019 £'000	31 March 2018 £'000
<b>Current</b>				
Trade payables	5,075	2,641	4,833	2,491
Capital payables	1,715	2,268	1,715	2,268
Accruals	1,808	3,214	1,773	3,222
Vat payable	126	0	126	0
Taxes payable	7,527	7,116	7,488	7,077
PDC dividend payable	392	705	392	705
Other payables	12,202	7,582	12,202	7,582
NHS Charitable Funds trade and other payables	32	41	0	0
<b>Total current trade and other payables</b>	<b>28,877</b>	<b>23,567</b>	<b>28,529</b>	<b>23,345</b>
<b>Non Current</b>				
Trade payables	0	40	0	40
<b>Total non current trade and other payables</b>	<b>0</b>	<b>40</b>	<b>0</b>	<b>40</b>

Taxes payable consists of employment taxation only (Pay As You Earn and National Insurance contributions), owed to HM Revenue and Customs at the year end, and Corporation Tax payable by the subsidiary Dudley Clinical Services Limited. Non-current liabilities are £nil (31 March 2018 £nil).



## 20 Borrowings

	As at 31 March 2019 £'000	As at 31 March 2018 £'000
<b>Current</b>		
Obligations under Private Finance Initiative contracts (excl lifecycle)	5,454	6,255
<b>Total Current borrowings</b>	<b>5,454</b>	<b>6,255</b>
<b>Non Current</b>	<b>£'000</b>	<b>£'000</b>
Obligations under Private Finance Initiative contracts	118,731	122,236
<b>Total Other non Current Liabilities</b>	<b>118,731</b>	<b>122,236</b>

A separate schedule for the Trust borrowings has not been produced as neither the NHS Charity or the subsidiary Dudley Clinical Services Limited have any borrowings.

## 21 Provisions

	<b>Group Current</b>		<b>Foundation Trust Non Current</b>		
	31 March 2019 £'000	31 March 2018 £'000	31 March 2018 £'000	31 March 2018 £'000	31 March 2018 £'000
Other legal claims	180	147	0	0	0
Restructuring	0	0	0	0	0
Redundancy	0	0	0	0	0
Other	0	0	0	0	0
<b>Total</b>	<b>180</b>	<b>147</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total</b>	<b>Other legal claims</b>	<b>Restructuring</b>	<b>Redundancy</b>	<b>Other</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
At 1 April 2018	147	147	0	0	0
Arising during the year	178	178	0	0	0
Utilised during the year - cash	0	0	0	0	0
Utilised during the year - accruals	(58)	(58)	0	0	0
Reversed unused	(87)	(87)	0	0	0
<b>At 31 March 2019</b>	<b>180</b>	<b>180</b>	<b>0</b>	<b>0</b>	<b>0</b>
Expected timing of cashflows:					
- not later than one year	180	180	0	0	0
- later than one year and not later than five years	0	0	0	0	0
- later than five years	0	0	0	0	0
<b>Total</b>	<b>180</b>	<b>180</b>	<b>0</b>	<b>0</b>	<b>0</b>

A separate schedule for the Trust provision for liabilities and charges has not been produced as neither the NHS Charity or the subsidiary have any provisions.

Other Legal Claims include claims under Employers' and Public Liability.

The NHS Litigation Authority has included in its provisions at 31 March 2019 £212,637,000 (2017/18 £207,047,000) in respect of clinical negligence liabilities for the Trust.

## 22 Other Liabilities

	Group		Foundation Trust	
	31 March 2019 £'000	31 March 2018 £'000	31 March 2019 £'000	31 March 2018 £'000
<b>Current</b>				
Deferred Income	1,774	1,639	1,774	1,639
<b>Total other current liabilities</b>	<b>1,774</b>	<b>1,639</b>	<b>1,774</b>	<b>1,639</b>

Where income has been received for a specific activity which is to be delivered in the following financial year, that income is deferred.

## 23 Deferred Tax

Liability for corporation tax only arises from the activity of the commercial subsidiary, the activities of the Trust do not incur corporation tax, see accounting policy note 1.18 for detailed explanation.

The subsidiary did not have any deferred tax in 2018/19 (2017/18 £nil).

## 24 Prudential Borrowing Limit

The prudential borrowing code requirements in section 41 of the NHS Act 2006 have been repealed with effect from 1 April 2013 by the Health and Social Care Act 2012. The disclosures provided previously are no longer required.

## 25 Events after the reporting year

Neither the Group nor the Trust has any events after the reporting year.

## 26 Contingencies

Neither the Group nor the Trust have any contingent assets or liabilities in 2018/19 (2017/18 £nil).



## 27 Related Party Transactions

The Dudley Group NHS Foundation Trust is a public benefit corporation which was established under the granting of authority by Monitor, the Independent regulator for Foundation Trusts. The Trust has taken advantage of the partial exemption provided by IAS 24 'Related Party Disclosures', where the Government of the United Kingdom is considered to have ultimate control over the Trust and all other related party entities in the public sector.

The Trust considers other NHS Foundation Trusts to be related parties, as they and the Trust are under the common performance management of NHS Improvement - part of the NHS in England. During the year the Trust contracted with certain other Foundation Trusts for the

provision of clinical and non clinical support services. The Department of Health is also regarded as a related party. During the year the Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent organisation.

The Trust has had a number of material transactions with other Government Departments and Local Government Bodies. These related parties are summarised below by Government Department, with disclosure of the total balances owed and owing as at the reporting date and the total transactions for the reporting year with the Trust.

Group	Year ended 31 March 2019				Year ended 31 March 2018			
	Income £'000	Expenditure £'000	Receivable £'000	Payable £'000	Income £'000	Expenditure £'000	Receivable £'000	Payable £'000
Birmingham Women's and Children's Foundation Trust	7	744	2	270	16	879	7	379
Black Country Partnership Foundation Trust	191	477	24	76	193	514	27	24
University Hospitals Birmingham Foundation Trust	128	461	50	230				
Dudley & Walsall Mental Health Trust	2,356	7	63	0	2,370	8	39	0
The Royal Wolverhampton Trust	2,698	5,630	459	525	2,676	2,198	447	376
Sandwell & West Birmingham Trust	1,885	1,001	15	386	2,228	868	512	290
Worcestershire Acute Hospitals Trust	321	1,263	51	639	361	1,164	54	301
Birmingham & Solihull CCG*	1,800	0	43	4	1,503	0	9	8
Cannock Chase CCG	656	0	88	0	420	0	0	205
Dudley CCG	223,609	11	3,082	1,537	211,774	11	2,383	1,437
Redditch & Bromsgrove CCG	879	0	32	1	650	0	114	1
Sandwell & West Birmingham CCG	38,659	23	1,242	74	36,258	0	12	49
Shropshire CCG	874	0	92	0	604	0	34	0
South East Staffs & Seisdon Peninsular CCG	11,063	0	585	28	10,410	0	550	36
Walsall CCG	2,411	0	0	51	2,368	0	56	0
Wolverhampton CCG	4,753	0	0	230	5,073	0	152	0
Wyre Forest CCG	5,258	0	5	22	5,078	0	474	8
NHS England	46,597	100	534	194	49,515	4	2,765	0
Health Education England	10,970	0	4	18	10,719	5	56	0
NHS Resolution	0	12,572	0	1	0	15,141	60	60
<b>Other related parties - Whole of Government Accounts</b>								
Dudley Metropolitan Borough Council	2,294	4	232	7	2,354	73	155	0
HMRC	0	17,712	1,277	7,527	0	16,704	1,253	7,116
NHS Pensions	0	19,386	0	0	0	18,721	0	0
NHS Blood & Transplant	11	1,510	1	290	15	1,599	0	26

\*Birmingham Cross City CCG, Birmingham South & Central CCG and Solihull CCG merged 1 April 2018 to become Birmingham & Solihull CCG.

## 27 Related Party Transactions (continued)

Key management personnel, namely the Trust Board Directors, are those persons having authority and responsibility for planning, directing and controlling the activities of the Trust. During the year none of the key management personnel have parties related

to them that have undertaken any material transactions with The Dudley Group NHS Foundation Trust.

The table below details, on an aggregate basis, key management personnel compensation:

Compensation	2018/19 £'000	2017/18 £'000
Salaries and short-term benefits	1,035	915
Post-employment benefits	395	230
	<u>1,430</u>	<u>1,145</u>

The annual report and accounts of the parent (the Trust) are presented together with the consolidated annual report and accounts and any transactions or balances between group entities have been eliminated on consolidation. Dudley Group NHS Charity has a Corporate Trustee who are the Board members of the Trust. The Board members of Dudley Clinical Services Limited include the following Non Executive Directors from the Trust: Richard Miner as Chairman and Jonathan Hodgkin as a Director.

Dudley Clinical Services Limited does not have any transactions with any NHS or Government entity except those with its parent, the Trust and HMRC. The Group receivables includes £211,000 owed to the subsidiary (£156,000 2017/18) and £12,000 owed to Dudley Group NHS Charity (£16,000 2017/18), and the Group payables includes £363,000 (£191,000 2017/18) owed by the subsidiary and 32,000 (£41,000 2017/18) owed by Dudley Group NHS Charity.

## 28 Private Finance Initiatives

### 28.1 PFI schemes on the Statement of Financial Position

The Dudley PFI project provided for the refurbishment and new building of major inpatient facilities at Russells Hall Hospital, the building of new facilities at Guest Hospital and Corbett Hospital. The Capital value of the scheme was £160,200,000. The Project agreement runs for 40 years from May 2001. The Dudley PFI is a combination of buildings (including hard Facilities Managed (FM) services) and a significant range of allied and clinical support services.

The standard Unitary Payment changes periodically as a consequence of:

- Inflation ( based on RPI and reviewed annually)
- Deductions for poor performance (Deficiency points and financial penalties for poor performance or non-compliant incidents).
- Variations to the Project Agreement (PA) (agreed under Variations procedure in the PA)
- 50 per cent of market testing or refinancing impact
- Energy tariff adjuster (the difference between actual energy tariff changes and the uplift that comes through RPI)
- Volume adjuster (computed by comparing actual in patient days against that in the schedule, with a tolerance of plus or minus 3 per cent)

The Trust has the rights to use the specified assets for the length of the Project Agreement and has the rights to expect provision of the range of allied and clinical support services. At the end of the Project Agreement the assets will transfer back to the Trust's ownership.

The PFI transaction meets the IFRIC 12 definition of a service concession, as interpreted in the Annual Reporting Manual (ARM) issued by Monitor, and therefore the Trust is required to account for the PFI scheme 'on-balance sheet' and this means that the Trust treats the asset as if it were an asset of the Trust and the substance of the contract is that the Trust has a finance lease and payments comprise two elements, an imputed finance lease charge and service charges.



## 28 Private Finance Initiatives (continued)

	Year Ended 31 March 2019 £'000	Year Ended 31 March 2018 £'000
<b>Gross PFI Liabilities</b>	135,989	140,309
of which liabilities are due		
- not later than one year;	17,258	18,073
- later than one year and not later than five years;	21,816	25,020
- later than five years	96,915	97,216
Finance charges allocated to future periods	(11,804)	(11,818)
<b>Net PFI liabilities</b>	<b>124,185</b>	<b>128,491</b>
- not later than one year;	5,454	6,255
- later than one year and not later than five years;	21,816	25,020
- later than five years	96,915	97,216

The Trust is committed to make the following payments for on-SoFP PFIs obligations during the next year in which the commitment expires:

	Year Ended 31 March 2019 £'000	Year Ended 31 March 2018 £'000
- not later than one year;	44,198	42,819
- later than one year and not later than five years;	176,794	171,277
- later than five years	751,373	770,748
<b>Total</b>	<b>972,365</b>	<b>984,844</b>

Analysis of amounts payable to the service concession operator:

	Year Ended 31 March 2019 £'000	Year Ended 31 March 2018 £'000
Unitary payment payable to the concession operator	39,660	38,246
Consisting of:		
- Interest charge	4,996	5,174
- Repayment of finance lease liability	5,911	4,901
- Service element	20,499	19,768
- Capital lifecycle maintenance	1,454	710
- Contingent rent	6,800	5,865
- Addition to lifecycle prepayment	0	1,828
<b>Total amount paid to concession operator</b>	<b>39,660</b>	<b>38,246</b>

Other amounts paid to the service concession operator but not part of the unitary payment:

Amounts charges to revenue	1,785	2,784
Amounts capitalised	1,934	5,873
<b>Total amount paid to the service concession operator</b>	<b>43,379</b>	<b>46,903</b>
Total length of the project (years)	40	
Number of years to the end of the project	22	

## 28.2 PFI schemes off the Statement of Financial Position

The Trust does not have any PFI schemes which are deemed to be off-statement of financial position.

## 29 Financial Instruments and Related Disclosures

A financial instrument is a contract that gives rise to a financial asset in one entity and a financial liability or equity instrument in another entity. The nature of the Trust's activities means that exposure to risk, although not eliminated, is substantially reduced.

The key risks that the Trust has identified are as follows:

### 29.1 Financial Risk

Because of the continuing service provider relationship that the Trust has with Clinical Commissioning Groups (CCG's) and the way those CCG's are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

The Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Trust's standing financial instructions and policies agreed by the Board of Directors. Trust treasury activity is subject to review by the Finance and Performance Committee.

### 29.2 Currency Risk

The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and Sterling based. The Trust has no overseas operations. The Trust therefore has low exposure to currency rate fluctuations.

## 29.3 Market (Interest Rate) Risk

All of the Trust financial assets and all of its financial liabilities carry nil or fixed rates of interest. The Trust is not therefore, exposed to significant interest rate risk.

## 29.4 Credit Risk

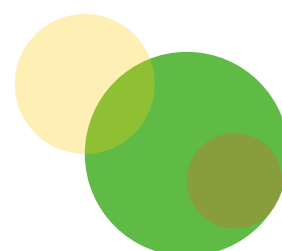
The majority of the Trust's income comes from contracts with other public sector bodies, resulting in low exposure to credit risk. The maximum exposures as at 31 March 2019 are in receivables from customers, as disclosed in note 17 to the annual report and accounts. The Trust mitigates its exposure to credit risk through regular review of debtor balances and by calculating a bad debt provision at the end of the year.

## 29.5 Liquidity Risk

The Trust's net operating costs are incurred under annual service agreements with Clinical Commissioning Groups and NHS England, which are financed from resources voted annually by Parliament. The Trust ensures that it has sufficient cash to meet all its commitments when they fall due. This is regulated by the Trust's compliance with the 'Financial Sustainability Risk Rating' system created by Monitor, the Independent Regulator of NHS Foundation Trusts. In addition should the Trust identify a shortfall on cash it has the ability to borrow from the FT financing facility. The Board continues to monitor its monthly and future cash position and has governance arrangements in place to manage cash requirements throughout the year. The Trust is not, therefore, exposed to significant liquidity risks.

## 29.6 Fair Values

All of the financial assets and all of the financial liabilities of the Trust are measured at fair value on recognition and subsequently amortised cost.



## 29.7 Financial Assets and Liabilities By Category

The following tables show by category the financial assets and financial liabilities at 31 March 2019. The values are shown at amortised cost which is representative of the carrying value.

Financial Assets as at 31 March 2019	Group			Foundation Trust	
	Total £000	Valued at amortised cost £000	Investments in equity instruments designated at fair value through OCI £000	Total £000	Valued at amortised cost £000
Trade and other receivables (excluding non financial assets) with NHS and DH bodies	10,603	10,603	0	10,603	10,603
Trade and other receivables (excluding non financial assets) with other bodies	2,929	2,929	0	2,882	2,882
Other investments and Financial Assets	0	0	0	0	0
Cash and cash equivalents	8,928	8,928	0	8,928	8,928
Consolidated NHS Charitable fund financial assets	2,220	860	1,360	0	0
	<b>24,680</b>	<b>23,320</b>	<b>1,360</b>	<b>22,413</b>	<b>22,413</b>

A financial asset is measured at fair value through other comprehensive income where business model objectives are met by both collecting contractual cash flows and selling financial assets and where the cash flows are solely payments of principal and interest. Movements in the fair value of financial assets in this category are recognised as gains or losses in other comprehensive income except for impairment losses. On derecognition,

cumulative gains and losses previously recognised in other comprehensive income are reclassified from equity to income and expenditure, except where the Trust elected to measure an equity instrument in this category on initial recognition. The Trust has irrevocably elected to measure the charity equity instruments at fair value through other comprehensive income.

Financial Liabilities as at 31 March 2019	Group		Foundation Trust	
	Total £'000	Other Financial Liabilities £'000	Total £'000	Other Financial Liabilities £'000
Obligations under Private Finance Initiative contracts	124,185	124,185	124,185	124,185
Trade and other payables (excluding non financial liabilities) with NHS and DH bodies	4,465	4,465	4,465	4,465
Trade and other payables (excluding non financial liabilities) with other bodies	14,629	14,629	14,266	14,266
Provisions under contract	180	180	180	180
Consolidated NHS Charitable Fund financial liabilities	32	32	0	0
	<b>143,491</b>	<b>143,491</b>	<b>143,096</b>	<b>143,096</b>

## 29.8 Financial Assets and Liabilities By Category (continued)

The following tables show by category the financial assets and financial liabilities at 31 March 2018. The values are shown at amortised cost which is representative of the carrying value.

Financial Assets as at 31 March 2018	Group		Foundation Trust	
	Total £'000	Loans and Receivables £'000	Total £'000	Loans and Receivables £'000
Trade and other receivables (excluding non financial assets) with NHS and DH bodies	8,374	8,374	8,374	8,374
Trade and other receivables (excluding non financial assets) with other bodies	1,001	1,001	845	845
Other investments and Financial Assets	0	0	0	0
Cash and cash equivalents	13,899	13,899	13,496	13,496
Consolidated NHS Charitable fund financial assets	2,046	2,046	0	0
	<b>25,320</b>	<b>25,320</b>	<b>22,715</b>	<b>22,715</b>

Financial Liabilities as at 31 March 2018	Group		Foundation Trust	
	Total £'000	Loans and Receivables £'000	Total £'000	Loans and Receivables £'000
Obligations under Private Finance Initiative contracts	128,491	128,491	128,491	128,491
Trade and other payables (excluding non financial liabilities) with NHS and DH bodies	2,444	2,444	2,444	2,444
Trade and other payables (excluding non financial liabilities) with other bodies	10,752	10,752	10,483	10,483
Provisions under contract	147	147	147	147
Consolidated NHS Charitable Fund financial liabilities	41	41	0	0
	<b>141,875</b>	<b>141,875</b>	<b>141,565</b>	<b>141,565</b>

## 29.9 Maturity of Financial Liabilities

	Group		Foundation Trust	
	As at 31 March 2019 £'000	As at 31 March 2018 £'000	As at 31 March 2019 £'000	As at 31 March 2018 £'000
In One Year or Less	24,760	19,599	24,002	19,289
In more than one year but not more than two years	5,454	6,295	5,454	6,295
In more than two years but not more than five years	16,362	18,765	16,362	18,765
In more than five years	96,915	97,216	96,915	97,216
<b>Total</b>	<b>143,491</b>	<b>141,875</b>	<b>142,733</b>	<b>141,565</b>



### 30 Third Party Assets

The Trust held £2,000 as cash at bank or in hand at 31 March 2019 (31 March 2018 £33,000) which related to monies held by the Trust on behalf of patients. These balances are excluded from cash at bank and in hand figures reported in the annual report and accounts note 18 on page 128.

### 31 Losses and Special Payments

NHS Foundation Trusts are required to record payments and other adjustments that arise as a result of losses and special payments on an accruals basis, excluding provisions for future losses.

	2018/19		2017/18	
	Number	Value £'000	Number	Value £'000
Loss of Cash	0	0	1	0
Fruitless payments	1	7	2	2
Bad debts and claims abandoned	95	469	104	49
Damage to Buildings, property etc. due to:				
Theft	2	0	5	2
Stores losses	1	1	9	15
<b>Total losses</b>	<b>99</b>	<b>477</b>	<b>121</b>	<b>68</b>
Ex gratia payments	26	34	17	40
<b>Total Special Payments</b>	<b>26</b>	<b>34</b>	<b>17</b>	<b>40</b>
<b>Total Losses and Special Payments</b>	<b>125</b>	<b>511</b>	<b>138</b>	<b>108</b>

There were no (2017/18 £nil) clinical negligence, fraud, personal injury, compensation under legal obligations or fruitless payment cases where the net payment for the individual case exceeded £300,000.

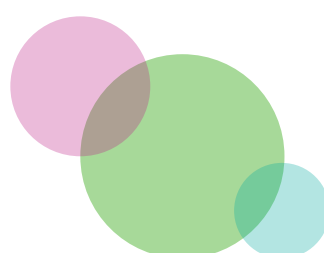
### 32 Auditors' Liability

In accordance with the Companies (Disclosure of Auditor Remuneration and Liability Limitation Agreements) Regulations 2008, the liability of the Trust Auditor, PricewaterhouseCoopers LLP is restricted to £1,000,000 in respect of liability to pay damages for losses arising as a direct result of breach of contract or negligence in respect of services provided in connection with or arising from their letter of engagement dated 25 February 2019.

### 33 Effect of implementing new Accounting Standards IFRS 9 and IFRS 15

#### 33.1 IFRS 9 Financial Instruments

The accounting standard identifies the components of the balance sheet that are to be identified as financial instruments; provides an approach for the measurement of expected credit losses and clarifies how losses are to be measured.



### 33.1 IFRS 9 Financial Instruments (continued)

Financial Instrument recognition.

The definition of a financial instrument is 'any contract that gives rise to a financial asset of one entity and a financial liability of or equity instrument of another entity'.

The Trust has recognised financial assets and liabilities as part of its annual accounts statements.

Under this new standard the ICR debtor which was previously excluded has, following the HMT amendment to the definition of a financial instrument in IAS32, has now been classed as a financial asset and is included as part of the financial instrument note 29.7 in the accounts from 1st April 2018.

The Trust currently provides all credit losses using the amortised costs method for each of its sales ledger companies. The ICR debtor credit loss is provided at the designated percentage which is given in the Group Accounting Manual for each financial year.

With the exception of the inclusion of the ICR debtor now included in note 29.7, there are no other adjustments required to comply with the standard.

### 33.2 IFRS 15 Revenue from contracts with customers

The core principle in IFRS 15 is that entities should recognise revenue to reflect the transfer of promised goods or services to the customer at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Following consideration of the HM Treasury paper IFRS15 Revenue from contracts with customers and IFRS15 and the NHS Standard Contract, IFRS 15 will apply to all Trust income except where IAS 20 Accounting for Government Grants and Disclosure of Government Assistance is applied.

IAS 20 defines government grants as transfers of resources from a government entity in return for compliance with certain past or future conditions relating to the operating activities of an entity. IAS 20.7 holds that grants are recognised when there is reasonable assurance the relevant condition or conditions have been met.

A review of all income categories has been undertaken to establish the appropriate accounting standard and manner in which the transactions are recorded. The review did not highlight any adjustments required as part of implementing the standard.





# Quality Report

# Chief executive's statement

The Trust has continued to strive to provide high quality care and treatment across our hospital, outpatient centres and adult community services during 2018/19.

We do this by focussing on providing

- a good patient experience,
- safe care and treatment, and
- a good and effective standard of care.

This quality report will describe the quality of care delivered at the Trust over the last year, providing an overall account of where we are performing well and where we can make improvements.

## Our quality priorities

At the beginning of the report you will find an outline of our priority quality measures and their progress. You will see that we have made good progress with some but not all of them. I can report that from our patients who partake in the national Friends and Family Test (FFT) the Trust has received good feedback in some of our services (all aspects of maternity care and the community) although some areas (Emergency Department, general inpatients and outpatients) are below the national average. Generally more of our patients are giving us this feedback than in other Trusts across England. In addition, it is reassuring to see that our results compare favourably with our neighbours (details on page 200). There has been an improvement from last year with the majority of our patients now being assessed at least every four hours to check if they are experiencing pain. With regards to avoidable pressure ulcers, the Trust has seen a substantial improvement with no patients developing category 4 ulcers and the number of avoidable category 3 ulcers in the community has fallen by more than half. In terms of infection control, we have had one MRSA bacteraemia case and we are under the national target for C. Difficile cases arising

due to lapses in care. One of our three nutrition measures, one of our discharge management measures and one of our incident management targets have been met.

We recognise that we need to make further improvements against our priorities and that is why we have chosen to continue to prioritise them in 2019/20. We are committed to continue our improvement work across these areas.

Within the report you will find the mandated sections on clinical audit, research and development, and data quality. We have included other key quality initiatives and measures, and specific examples of good practice on all of the above three elements of quality, which I hope will provide a useful picture of what is occurring across the Trust.

As I indicated in last year's report, in April 2018 the CQC published its findings of the assessment it undertook of the Trust a few months earlier. We are proud that our medical services, midwifery and community (and sexual health) services were categorised as 'Good'. However our emergency services were rated as 'Inadequate' and we have started work to bring them up to the required standards. This work has continued throughout the year. The Trust has received support in this and I am pleased to say that with the new Emergency Treatment Centre considerable progress has been made. With the recent announcement of £20 million funding for even better facilities for emergency care, the environment for both patients and staff will be further enhanced.





As part of our improvement programme, a number of independent reviews of the quality of care at the Trust have been undertaken throughout the year by a variety of organisations (details on page 74) and, as the contents of this publication indicate, we are constantly monitoring ourselves in many ways on the quality of our care. This allows us to assure both patients and ourselves of what we are doing well and the learning from others on how we might further improve and strengthen the care we provide to patients.

Throughout the report, we have included quotes from patients about their experience here at the Trust, together with examples of lessons learned from patient feedback and how our services are equal to or are better than the national picture.

I hope these demonstrate that the Trust does not stand still but is always pursuing a path of improvement.

### Measuring quality

The quality account includes the many objective indicators of quality and we have included a number of specific examples of the quality initiatives our skilled, caring and motivated staff are undertaking across the Trust and what patients have said about the care they have received from us. We could not include them all but hopefully these examples, together with the innovation and initiatives that Trust staff have achieved and implemented in the year, give a sense of our quality of care. I would like to make a special mention to all of the staff and departments that have either been nominated, or progressed and gone on to win, both local and national awards (details on page 222).

The Trust and its Board of Directors have sought to take all reasonable steps and have exercised appropriate due diligence to ensure the accuracy of the data reported. Following these steps, to the best of my knowledge, the information in this document is accurate.

Finally, 2019/20 will be another challenging year for the Trust as we focus on providing high quality care as well as achieving access targets and other national requirements in the light of tighter financial constraints. We will continue to work with patients, commissioners, our partners in the Black Country Pathology Service and the Black Country and West Birmingham Sustainability and Transformation Partnership, as well as other stakeholders, to deliver further improvements to quality in the context of growing demand for services and developments in healthcare provision generally.



**Date: 22nd May 2019**

**Diane Wake**

**Chief Executive**












































# Priorities for improvement and statements of assurance from the Board of Directors

## Quality improvement priorities

### Summary

The table below provides a summary of the history of our quality priorities over the past five years and outlines the new priorities for 2019/20.

Quality Priority	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Notes
<b>Patient experience</b> Ensure that the percentage of patients who report positively on their experience is better than the national average. Ensure pain control measures improve.	Hospital:  Partially achieved Community:  Partially achieved	Hospital:  Partially achieved Community:  Partially achieved	Hospital:  Partially achieved Community:  Partially achieved	Hospital:  Partially achieved Community:  Partially achieved	Hospital:  Partially achieved Community:  Partially achieved	Priority 1	See page 144 for more information
<b>Pressure ulcers</b> Reduce the occurrence of avoidable pressure ulcers.	Hospital:  Partially achieved Community:  Partially achieved	Hospital:  Achieved Community:  Not achieved	Hospital:  Partially achieved Community:  Partially achieved	Hospital:  Partially achieved Community:  Not achieved	Hospital:  Partially achieved Community:  Achieved	Priority 2	See page 147 for more information
<b>Infection control</b> Reduce our MRSA rate in line with national and local priorities.	 Achieved	 Not achieved	 Achieved	 Achieved	 Not achieved	Priority 3	See page 152 for more information
Reduce our Clostridium difficile rate in line with local and national priorities.	 Achieved	 Achieved	 Achieved	 Achieved	 Achieved		
<b>Nutrition</b> Ensure there are effective processes in place for nutrition care.	 Partially achieved	 Partially achieved	 Partially achieved	 Partially achieved	 Partially achieved	Priority 4	See page 153 for more information
<b>Hydration</b> Ensure there are effective processes in place for hydration care.	 Achieved						
<b>Medications</b> Ensure effective processes are in place for medicine administration.			 Not achieved	 Not achieved	 Not achieved	Priority 5	See page 156 for more information
<b>Discharge Management</b> Ensure effective discharge planning systems are in place.					 Partially achieved	Priority 6	See page 159 for more information
<b>Incident Management</b> Ensure there is a positive learning culture.					 Partially achieved	Priority 7	See page 163 for more information

## Choosing our priorities for 2019/20

The Quality Priorities for 2018/19 covered the following seven topics:

1. Patient experience
2. Infection control
3. Pressure ulcers
4. Nutrition/hydration
5. Medication
6. Discharge management
7. Incident management

These key topics were agreed by the Board of Directors due to their importance both from a local perspective (e.g. based on key issues from patient feedback, both positive and negative) and from a national perspective (e.g. reports from national bodies such as the Health Ombudsman, CQC etc.). The first four topics were agreed five years ago by a collaborative event on the Quality Report, hosted by the chief executive and chief nurse who were in post at the time, attended by staff, governors, Foundation Trust members and others from key outside organisations. These topics have been endorsed in discussions with the Dudley MBC Health and Social Care Scrutiny Committee and Dudley Clinical Commissioning Group. The fifth topic, medication, was added in 2016/17 following a review of patient feedback on their care and treatment.

Following further year on year consultations internally and with governors, patients and others who attended the Annual Members Meeting, the public generally via an online questionnaire and discussions with our main

commissioner, in 2018/19 it was agreed that these topics should be retained with two further topics added, discharge management and incident management. For 2019/20, all of these topics have been retained.

These topics continue to be fundamental when considering the provision of high quality patient care. Positive patient experience of our services is a core purpose of the Trust. We are committed to minimising healthcare associated infection rates, which is a key patient and commissioner expectation. There are national campaigns of zero tolerance of avoidable pressure ulcers and the need to focus on the assessment and enhancement of patients' nutritional status. We consider safe and effective discharge to be of central importance in the pathway of care for our patients. Effective planning of discharge enables patients to return to the community to the most appropriate place of residence. Most importantly, the safety of our patients is paramount. It is widely recognised that an organisation with a positive safety culture has a high incident reporting rate with a reducing number of serious incidents, the latter resulting from learning and changing practice.

All of our priorities have named leads with responsibility for coordinating the actions aimed at delivering improvement. Every quarter, our progress is reported to the Clinical Quality, Safety and Patient Experience Committee, the Board of Directors and the Council of Governors. In addition, a summary of the progress is placed on the Trust website.

### Ward C6

*"I am completely delighted to report that everyone I've encountered is a major asset to the hospital. Such friendly people, eager to help and befriend."*

## Our priorities

### Priority 1 for 2018/19: Patient experience

- a) Achieve monthly response rates in Friends and Family Test (FFT) for all areas (inpatients, outpatients, maternity, Emergency Department and community) that are equal to or better than the national average.
- b) Achieve monthly scores in Friends and Family Test (FFT) for all areas (inpatients, outpatients, maternity, Emergency Department and community) that are equal to or better than the national average.
- c) Improve the overall year score from 2017/18 to 2018/19 for the following question used in our local real-time survey: Were you involved as much as you wanted to be in decisions about your care?
- d) Ensure that in 95 per cent or more cases, a patient's pain score is recorded at least every four hours (unless otherwise indicated in the exception box).

#### Rationale for inclusion and how we measure and record this priority

a) & b) The NHS Friends and Family Test (FFT) is firmly embedded within the Trust with all patients given the opportunity to complete the survey after each episode of care and treatment in all areas of the organisation. The FFT survey remains a national focus and provides valuable information and feedback to support local actions to improve the patient experience. We use this information to benchmark our performance against other trusts (see page 145).

c) Having assessed the outcome of the National Patient Survey, it was decided to include a new target for a topic where we did not perform as well as in other questions. To monitor this throughout the year, we have been using the results of our continual real-time inpatient survey which has an equivalent question. We measure this by inviting inpatients who have been given an estimated discharge date and who are expecting to be discharged within 48 hours to answer this question. An average of 120 patients are surveyed each month.

d) From patient feedback, the Trust has included a measure related to pain management. As part of their caring role, nursing staff assess patients' needs in terms of pain prevention and relief. Patients are asked to score their level of pain and nurses will take appropriate action to ensure patients are positioned correctly and receive appropriate analgesia. Nurses document those pain level scores on an at least a four-

hourly basis unless this is recorded as not necessary, for example, for a short stay pain free patient admitted for non-invasive tests. Pain scores are audited as part of our Quality Indicator monitoring, which is a monthly check of 10 sets of nursing notes undertaken at random on every ward (see page 217).

#### Developments during 2018/19

- Continued to hold 'Feedback Fridays' weekly to encourage responses to the survey,
- Ensured that all areas have a champion for FFT,
- Ensured that all areas where participation is low have action plans in place,
- Rolled out SMS to the rest of the Trust (children's and maternity services scheduled for 2019/20),
- Ensured study days took place in May so that all staff are re-educated on the importance of pain management and its correct documentation, and
- Clarified the audit question so that it covers all documents where pain relief may be recorded.

#### Ward B3

*Our outcomes for patients having Abdominal Aortic Aneurysm repairs are amongst the best in the country*  
Source: National Vascular Registry



## Current status

### Family and Friends Test

**a) Recommended scores:** For the whole year, 95 comparative national scores have been published and on 43 occasions the Trust achieved the target where the score is equal to or better than the national average percentage recommended. The areas missing the target are inpatients, A&E and outpatients

for April to March, maternity antenatal for September, maternity birth for June, November and January, maternity postnatal ward for November, December and January, maternity postnatal community for September and December and community for September to March.

% FFT recommended Scores	Apr 18	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19
<b>Inpatient</b>	95	93.7	94.4	94.1	93.7	93.0	94.1	94.0	93.1	94.8	94.8	93.6
National	96	96	96	96	96	96	96	96	96	96	96	96
<b>A&amp;E</b>	82	77.8	77.1	76.2	77.1	75.7	80.2	76.9	76.3	75.6	74.3	71.5
National	87	87	87	87	88	86	87	87	86	86	86	86
<b>Maternity Antenatal</b>	98	97.5	100	98.3	99.1	94.5	100	97.2	96.9	100	98.3	98.3
National	97	95	96	95	95	95	95	95	95	96	96	95
<b>Maternity Birth</b>	99	97.8	96.5	100	98.6	96.8	100	96.2	98.3	94.4	100	98.8
National	97	97	97	97	97	96	97	97	97	97	97	97
<b>Maternity Postnatal Ward</b>	98	95.6	96.5	98.9	98.6	95.7	98.5	93.5	94.3	94.4	100	97.6
National	95	95	95	95	95	94	95	95	95	95	95	95
<b>Maternity Postnatal Community</b>	98	100	100	98.1	100	96.5	100	100	94.8	100	100	100
National	*	98	98	98	98	98	98	97	98	98	98	98
<b>Community</b>	96	95.3	96.7	95.6	96.2	93.3	94.1	93.7	92.7	93.2	92.8	92.6
National	96	95	95	95	96	95	96	96	95	96	96	94
<b>Outpatients</b>	90	89.4	90.5	87.4	91.3	88.9	90.2	89	90.2	91.1	90	89.1
National	94	94	94	94	94	93	94	94	94	94	94	94

\*denotes where no national response rate data is published.

**b) Response Rates:** For the whole year, 60 comparative national scores have been published and on 44 occasions the Trust achieved the target where the percentage response rate score is equal to or better than the national average percentage response rate. The areas missing the target are maternity birth for August, community for April, May, August and February and outpatients for May 2018 to March 2019.

% FFT response rate	Apr 18	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19
<b>Inpatient</b>	32.3	33	42.4	35.9	31.9	35.0	32.5	35.0	30.5	32.3	36.2	34.9
National	24.9	25.6	25.2	25.2	25	24.7	24.9	24.6	22.2	24	24.6	24.6
<b>A&amp;E</b>	17.9	18	19.1	18.6	16.6	18.2	18.6	17.7	17.5	18	18.5	19.5
National	12.9	12.4	13.0	12.8	12.9	12.2	12.2	12.1	11.4	11.9	12.2	12.3
<b>Maternity Antenatal</b>	20.4	91.4	70.2	52.4	56.8	28.7	26.9	42.3	16.5	14.3	44.9	73.1
National	**	**	**	**	**	**	**	**	**	**	**	**
<b>Maternity Birth</b>	40	38	33.6	27.4	19.9	27.4	40.6	29.7	36.3	47.7	37.7	26.3
National*	23.2	22	21	20.87	20.3	20.3	21.1	20.9	18.4	21.8	22	21.6
<b>Maternity Postnatal Ward</b>	39.8	37.5	34.0	27.6	19.7	27.6	40.1	30.0	36.5	47.7	37.9	26.4
National	**	**	**	**	**	**	**	**	**	**	**	**
<b>Maternity Postnatal Community</b>	1.3	15.3	19.5	24.1	15.8	18.8	11.8	11.8	20.9	6.5	7.7	4.7
National	**	**	**	**	**	**	**	**	**	**	**	**
<b>Community</b>	2.9	3	4.2	4.1	3.2	5.8	6.1	5.3	3.7	4.7	4.0	5.5
National*	3.3	4.0	3.7	4.13	3.5	3.5	3.33	3.76	3.24	4.7	4.2	4.07
<b>Outpatients</b>	5.7	5.7	3.4	5.8	5.8	5.4	5.8	5.3	4.8	4.0	4.0	4.4
National*	4.9	7.0	6.8	7.0	6.6	6.4	7.4	7.2	5.4	7.2	6.4	6.83

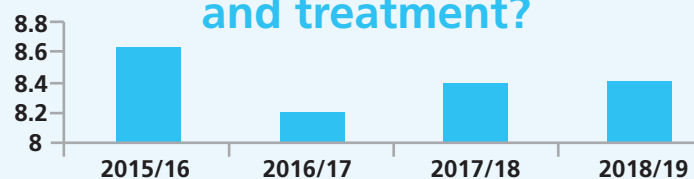
\*denotes areas where no national response rate data is published. This has been calculated internally using 12 months of NHS England raw data from February 2017 to January 2018. \*\* No national raw data available. (Comparative figures for 2017/18 for measure a) are available in last year's report. Measure b) is a new priority this year).

c) The results of the local survey question 'Were you involved as much as you wanted to be in decisions about your care?' were 8.4 - the same as scored in the previous year (see graph opposite). With no improvement this means that the target has not been achieved.

#### d) Pain management

The target has been met for all separate quarters and for the whole year. It has been decided to replace this target in 2019/20 with a different topic.

### Were you involved as much as you wanted to be in decisions about your care and treatment?



This is a weighted score also known as a partial credit score consistent with the NHS Survey programme

Quality Dashboard	2017/18	Quarter 1 2018/19	Quarter 2 2018/19	Quarter 3 2018/19	Quarter 4 2018/19	2018/19
Pain score	93%	98%	98%	99%	98%	98%

## New priority 1 for 2019/20: Patient experience

- Achieve monthly response rates in Friends and Family Test (FFT) for all areas (inpatients, outpatients, maternity, Emergency Department and community) that are equal to or better than the national average.
- Achieve monthly scores in Friends and Family Test (FFT) for all areas (inpatients, outpatients, maternity, Emergency Department and community) that are equal to or better than the national average.
- Improve the overall year score from 2018/19 to 2019/20 for the following question used in our local real-time survey: Were you involved as much as you wanted to be in decisions about your care?
- Improve the overall year score from 2018/19 to 2019/20 for the following question used in our local real-time survey: When you reached the ward, were you given a 'Welcome to Russells Hall Hospital' booklet?

### Rationale for inclusion and how we measure and record this priority

- The FFT recommended score and response rates targets will be retained as they remain a national focus, provide valuable benchmarking information and drive improvement to the patient experience. They are measured and recorded as described above.
- We only made a slight improvement in the local survey question asked last year and so this will be retained to improve further.
- Our present local survey results show that not all patients are being provided with the hospital welcome booklet that contains useful information for all patients.

### Developments planned for 2019/20

- Increase the availability of the Friends and Family survey online app and promote widely,
- Refresh the Friends and Family Test survey cards,
- Continue to hold Feedback Fridays weekly,
- Expand FFT survey via SMS to include children and maternity specialty areas,
- Increase the number of listening events and focus groups, and
- Implement a publicity drive about the welcome booklets to include screensavers and posters.

**Board sponsor:** Mary Sexton, chief nurse.

**Operational lead:** Jill Faulkner, head of patient experience.

## Priority 2 for 2018/19: Pressure ulcers

Hospital	Community
<p>a) Ensure that there are no avoidable category 4 hospital acquired pressure ulcers throughout the year.</p> <p>b) Ensure that the number of avoidable category 3 hospital acquired pressure ulcers in 2018/19 reduces from the number in 2017/18 by at least 10 per cent.</p>	<p>a) Ensure that there are no avoidable category 4 pressure ulcers acquired on the district nurse caseload throughout the year.</p> <p>b) Ensure that the number of avoidable category 3 pressure ulcers acquired on the district nurse caseload in 2018/19 reduces from the number in 2017/18 by at least 10 per cent.</p>

### Rationale for inclusion

- Pressure ulcers are difficult to treat and slow to heal, and prevention is therefore a priority.
- Although the Trust has continued in the long term to reduce the overall number of pressure ulcers, it realises there is still much to do and moving to a zero tolerance approach is the aim.
- Feedback from our patients, staff, community groups and governors indicates this should remain a target.

### How we measure and record this priority

- A pressure ulcer is defined as 'a localised injury to the skin and/or underlying tissue usually over a bony prominence, as a result of pressure, or pressure in combination with shear'. There are six categories of pressure ulcer, categories 1, 2, 3 & 4, unclassified category 3 (UC3) and Suspected Deep Tissue Injury (SDTI).
- When a patient is identified as having a pressure ulcer, the details are entered into the Trust's incident reporting system to be reviewed by the tissue viability team prior to reporting externally.
- If pressure damage is noted on admission to the hospital, providing that the Trust staff have taken all reasonable steps to prevent tissue damage and the patient has not been under the care of our community

teams or on the district nurse caseload, this is not considered to have developed whilst under the care of the Trust.

### Developments that occurred in 2018/19

- Developed a robust education and training programmes for staff.
- Planned and delivered three educational study days to address key priority topics, pressure ulceration, lower limb ulceration and complex wound management.
- Worked with the patient safety team to develop robust reporting processes to ensure data collected is accurate.
- Explored the 'Risk Assessment' tool for the Emergency Department to ensure it is specific to the clinical area for patient assessment.
- Delivered the 'React to Risk' and '50 day pressure ulcer challenge' with an aim to reduce the incidence of avoidable category 2, 3 and 4 pressure ulceration.
- Delivered the International 'Stop the Pressure' campaign to the Trust.

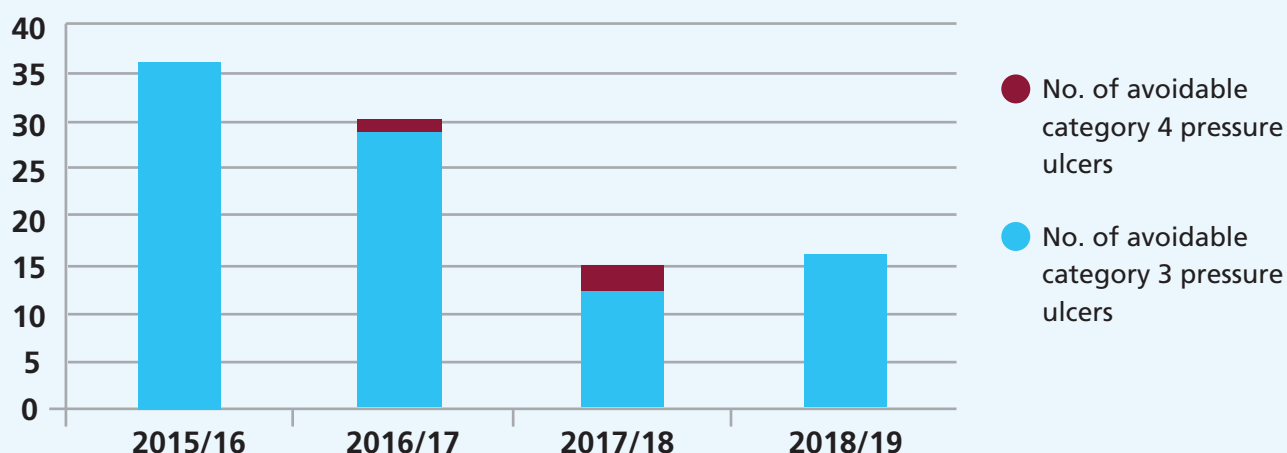
#### Dudley Respiratory Ambulatory Service

*"The physio has given me some very good exercises to aid mobility. Very good at giving me the right guidance and support. I think the service is excellent."*

## Current status: Hospital

The graph below shows the total number of avoidable category 3 and 4 pressure ulcers that have developed in the hospital from 2015/16 to the present. It gives an indication of the fall in numbers due to the hard work of all staff involved. While there has been a slight increase from 12 to 16 avoidable category 3 ulcers since last year there have been zero avoidable stage 4 pressure ulcers.

**Total number of avoidable category 3 and 4 pressure ulcers developed in the hospital**

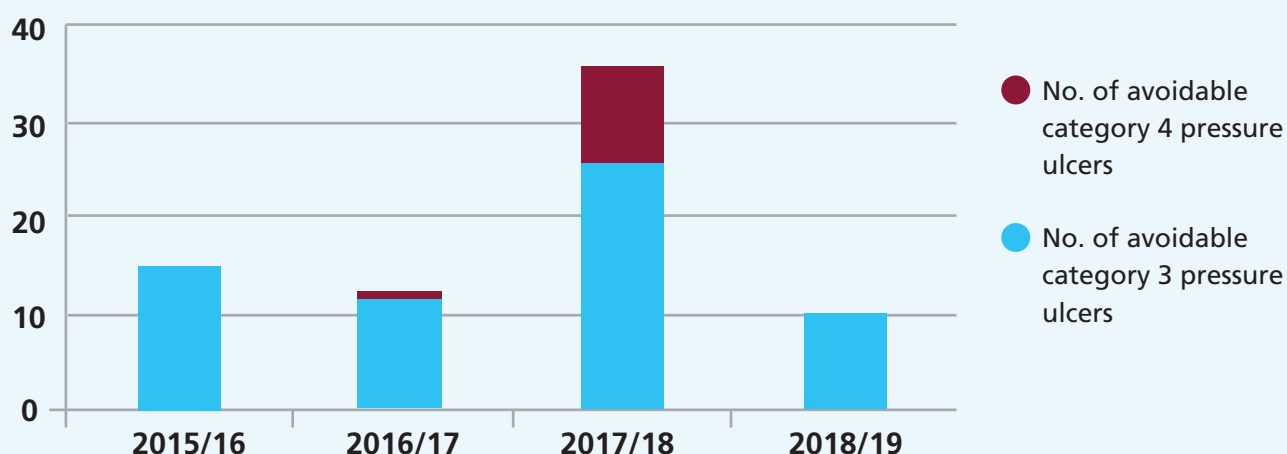


In the 2017/18 quality report we reported 18 avoidable category 3 ulcers. Investigations that continued after the year end found that six of these were unavoidable.

## Current status: Community

The target of there being no avoidable category 4 pressure ulcers acquired throughout the year on the district nurse caseload has been achieved. The target to reduce the number of avoidable category 3 ulcers by 10 per cent has been achieved with a 60 per cent decrease from 2017/18 (see graph below).

**Total number of avoidable category 3 and 4 pressure ulcers developed on the district nursing caseload**



In the 2017/18 quality report we reported 24 avoidable category 3 ulcers and 10 avoidable category 4 ulcers. Investigations that continued after the year end later found a further one ulcer in both categories.



## New Priority 2 for 2019/20: Pressure ulcers

Hospital	Community
<ul style="list-style-type: none"> <li>a) Ensure that there are no avoidable category 4 hospital acquired pressure ulcers throughout the year.</li> <li>b) Ensure that the number of avoidable category 3 hospital acquired pressure ulcers in 2019/20 reduces from the number in 2018/19 by at least 10 per cent.</li> </ul>	<ul style="list-style-type: none"> <li>a) Ensure that there are no avoidable category 4 pressure ulcers acquired on the district nurse caseload throughout the year.</li> <li>b) Ensure that the number of avoidable category 3 pressure ulcers acquired on the district nurse caseload in 2019/20 reduces from the number in 2018/19 by at least 10 per cent.</li> </ul>

### Rationale for inclusion

- Pressure ulcers remain a significant healthcare problem despite the knowledge that pressure ulcers are largely preventable.
- Avoidable pressure ulcers are a key indicator of the quality and experience of patient care.
- Feedback from our patients, staff, community groups and governors indicates this should remain a target.

### How we measure and record this priority

In order to reduce the incidence of pressure ulcer development, it is important that we measure the incidence and identify the contributing trends and themes.

- When potential pressure damage is identified, the details are entered into the Trust's incident reporting system. Depending on the category of damage, the incidents are reviewed by the lead nurse, matron or the tissue viability team to confirm category and provide advice and support to the patient's care provider.
- Root cause analysis (RCA) investigation is performed for all acquired pressure ulcers of category 3 and above including Suspected Deep Tissue Injury to allow for a systematic evaluation of the contributing factors.

- The duty of candour process ensures that we inform patients and relatives if there have been mistakes in their care that have led to significant harm.

### Developments planned for 2019/20

- Development of e-Learning for all staff.
- Undertake joint working with industrial partners to ensure staff are competent and confident to use treatments and therapies appropriately for the prevention and management of pressure ulcers.
- Fully implement the NHSi strategy: Pressure Ulcers refined definition and measurement to ensure accuracy of reporting.
- Deliver 3 educational events including 'Pressure Ulcers – learning from incidents', 'Documentation, report writing and fact finding' and 'Complexities of wound healing'.
- Deliver the International 'Stop the Pressure' campaign.
- Report category 2 pressure damage with the aim to reduce the incidents of category 2 pressure damage.

**Board sponsor:** Mary Sexton, chief nurse.

**Operational leads:** Deputy chief nurse Carol Love-Mecrow, Julie Pain and Jenny Bree, divisional chief nurses and tissue viability lead nurse Gill Hiskett.

## Priority 3 for 2018/19: Infection control

Maintain or reduce our MRSA and Clostridium difficile (C. diff) rates in line with national and local priorities. All cases will undergo a root cause analysis, the results of which will be discussed jointly by the Trust and Dudley CCG to agree on any avoidability/lapses in care.

MRSA	Clostridium difficile
Have 0 post 48 hour cases of MRSA bacteraemia (blood stream infections).	Have no more than 28 post 48 hour cases of Clostridium difficile with a lapse in care identified.

### Rationale for inclusion

- The Trust and Council of Governors have Indicated that the prevention and control of infections remains a Trust priority.
- NHS England has a zero tolerance of MRSA bacteraemia.
- The Trust had a challenging nationally-set target of 29 C. diff cases for the coming year.

### How we measure and record this priority

Infections are monitored internally, along with other key quality indicators, on the Trust's electronic dashboard (see page 166). In addition, these infections are monitored by our commissioners at quality review meetings. Positive MRSA bacteraemia and C. diff results are reported on to the national Healthcare Associated Infections data capture system.

### Developments that occurred in 2018/19

- Trust-wide mattress audit undertaken in conjunction with Tissue Viability,
- Participated in National Infection Prevention and Control week,
- Participated in W.H.O campaign – Clean Your Hands Campaign,
- Reviewed process for Gram negative surveillance,
- Took part in Antimicrobial Stewardship awareness week,
- Reviewed antimicrobial prescribing and referrals from wards,

- Recruited governors as 'infection control secret shoppers',
- Reviewed MRSA screening policies and data collection,
- Continued ongoing work with the wider health economy through the HCAI Partnership Group,
- Implemented the revised mandatory training programme for infection control, and
- Adopted the catheter 'passport' to improve catheter care across the health economy after final ratification.

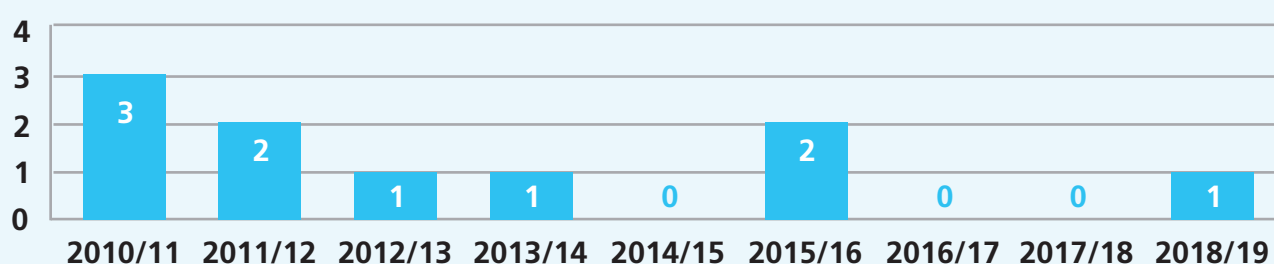


## Current status: MRSA

NHS England has set a zero tolerance approach to MRSA bacteraemia. There has been one Trust assigned MRSA bacteraemia in this period. The case has undergone a root cause analysis utilising the national tool.

The cause was believed to be a contaminant. The outcomes of the RCA were presented and discussed at a multidisciplinary meeting chaired by the CEO and including representatives from the Dudley Office of Public Health and Dudley CCG. Learning outcomes and actions were identified and shared at ward level via staff meeting/huddle board and with the wider Trust through divisional meetings and the infection prevention group.

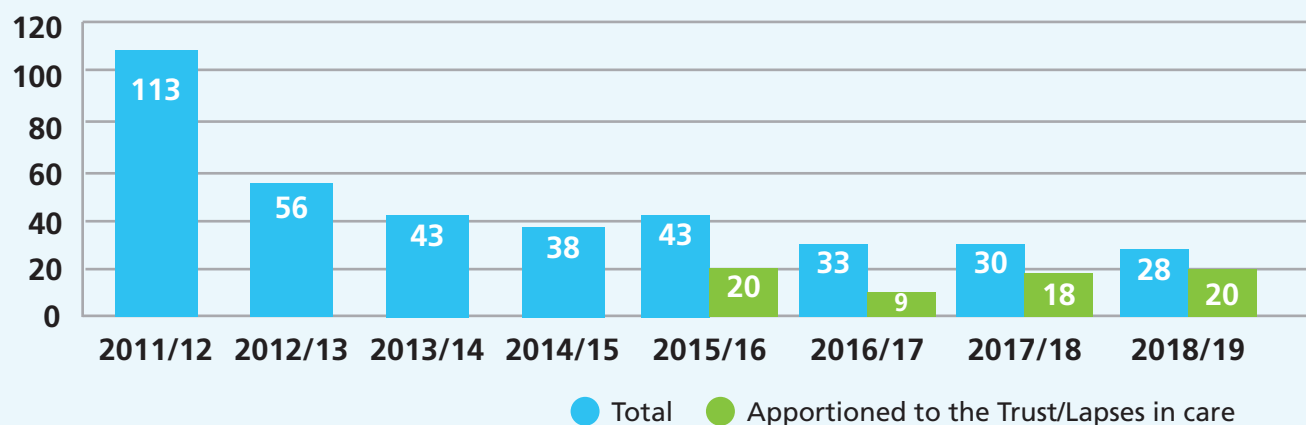
### Total MRSA cases per year



## Current status: Clostridium difficile

There have been 28 cases of Clostridium difficile of which 20 cases have been identified as having lapses in care and therefore count against the Trust threshold of 28 cases. Eight cases have been identified as having no lapses in care. The yearly target of 28 with lapses in care has therefore been achieved this year.

### Total C. difficile cases per year



## New priority 3 for 2019/20: Infection control

Maintain or reduce our MRSA and Clostridium difficile (C. diff) rates in line with national and local priorities. All cases will undergo a root cause analysis, the results of which will be discussed jointly by the Trust and Dudley CCG to agree on any avoidability/lapses in care.

MRSA	Clostridium difficile
Have 0 post 48 hour cases of MRSA bacteraemia (blood stream infections).	Have no more than 49 hospital onset healthcare associated cases detected three or more days after admission or community onset healthcare associate cases that occur in the community when the patient has been an inpatient in the Trust in the previous four weeks.

### Rationale for inclusion and how we measure and record this priority

- The Trust and Council of Governors have indicated that the prevention and control of infections remains a Trust priority.
- NHS England has a zero tolerance of MRSA bacteraemia.
- The Trust has a challenging nationally-set target of 28 C. diff cases for the coming year.

The indicators are measured and recorded as described above.

### Developments planned for 2019/20

- Participate in National Infection Prevention and Control week,
- Participate in W.H.O campaign – Clean Your Hands Campaign,
- Contribute to Health Economy Programme to reduce gram negative blood stream infections,
- Take part in Antimicrobial Stewardship awareness week,
- Review of antimicrobial policy and include clinical teams in the membership of the antimicrobial steering group,
- Monitor compliance with MRSA screening and action plans,

- Commence divisional reports at Infection Prevention and Control Group, and
- Ensure ongoing compliance with mandatory training key performance indicators.

**Board sponsor:** Mary Sexton, chief nurse.

**Operational leads:** Director of infection prevention and control Dr. E.N. Rees, matron, infection prevention and control Angela Murray.





## Priority 4 for 2018/19: Nutrition and hydration

Ensure that the overall score of the monthly nutrition and hydration audit (made up of 24 items) a) is 95 per cent or above in each of the first three quarters for the Trust as a whole, and b) has a 'Green' rating (95 per cent or above) in the final quarter for every ward in the hospital.

### Nutrition assessments – hospital

At least 95 per cent of acute patients will receive a nutritional assessment within 24 hours of admission using the nationally recognised MUST (Malnutrition Universal Screening Tool).

### Nutrition assessments – community

At least 95 per cent of patients will receive a nutritional assessment on initial contact with the community health nursing team using the nationally recognised MUST (Malnutrition Universal Screening Tool).

### Rationale for inclusion

- Poor nutrition and hydration leads to poor health, increased and prolonged hospital admissions and increased costs to the NHS.
- The consequences of poor nutrition and hydration are well documented and include increased risk of infection, poor skin integrity and delayed wound healing, decreased muscle strength, depression and, sadly, premature death.
- The MUST tool has been designed to help identify adults who are underweight and at risk of malnutrition, as well as those who are obese. It has been in use at the Trust for a number of years.
- Feedback from our patients, staff, community groups and governors indicates this should remain a target.

### How we measure and record these priorities

As part of the monitoring of care relating to nutrition and hydration, a comprehensive audit tool was introduced in 2014. This follows the Quality Indicator model (see page 217) and involves auditors checking what is recorded in the nursing notes and asking patients about their experience of being offered drinks and a choice of food. It also includes observations of the environment, for instance, whether patients have drinks within reach and whether patients are placed in an optimal position for eating. In total, there are 24 elements to the audit and it is undertaken on 10 patients on every ward each month. The MUST score is also audited as part of the Quality Indicator monitoring.

### Developments that occurred in 2018/19

- New food trolleys,
- New menu based on feedback from patients,
- New food supplier appointed which has so far provided better quality food as demonstrated by real time food surveys, reduced complaints and an observed reduction in plate waste,
- Moved over to the new IDDSI texture descriptors within required time scale with a new menu in place,
- Finger foods introduced,
- Prescribed snack trial,
- Nutritional pathway for hip fracture patients implemented on ward B2,
- Greatly improved establishment of the Trust nutrition team's nursing establishment,
- Celebration of Nutrition and Hydration Week,
- Lead matrons identified for nutrition for medicine and surgery and a corporate lead also identified - one of the deputy chief nurses,
- Continued nutritional collaborative work by implementation of a more systematic approach to supported mealtimes,
- Revised protected meal policy to become supported mealtime policy,
- Reviewed the menus available in the Trust,
- Implemented a screensaver to stress the importance of good nutrition, and
- MUST training for lead nurses to cascade to their staff.

## Current status: Nutrition/hydration

The charts below show that we have achieved one of the three targets this year.

Quality Dashboard	2017/18	Quarter 1 2018/19	Quarter 2 2018/19	Quarter 3 2018/19	Quarter 4 2018/19	2018/19
Nutrition Audit Hospital	94%	94%	94%	94%	96%	94%

Wards: Qtr 4	
95% and above	11
94 to 85%	4
84% and less	0

Quality Dashboard	2017/18	Quarter 1 2018/19	Quarter 2 2018/19	Quarter 3 2018/19	Quarter 4 2018/19	2018/19
MUST Assessment Hospital	93%	91%	89%	89%	90%	90%

Quality Dashboard	2017/18	Quarter 1 2018/19	Quarter 2 2018/19	Quarter 3 2018/19	Quarter 4 2018/19	2018/19
MUST Assessment Community	96%	97%	98%	96%	98%	97%

As the content of the nutrition audit is being reviewed and as the target has nearly been achieved, it has been decided for 2019/20 to concentrate on one single element of the audit. The MUST target in the hospital is being retained in 2019/20. With regards to the MUST target in the community, this has now been achieved for two years and so it has been decided to replace it by another important target for the community that comes under the Discharge Management section.



## New priority 4 for 2019/20: Nutrition and hydration

- a) At least 95 per cent of acute patients will receive a nutritional assessment within 24 hours of admission to the hospital using the nationally recognised MUST (Malnutrition Universal Screening Tool).
- b) With regards to supported mealtimes, 95 per cent of all of the monthly audits will have a positive response to the following three questions:
  - 1) Has all non-essential activity stopped?
  - 2) Is there a nominated qualified nurse overseeing the mealtime?
  - 3) Is there a nominated person to support all patients identified as requiring assistance?

### Rationale for inclusion and how we measure and record this priority

- With regards to the MUST target in the hospital, this was not achieved in 2018/19 and so it is retained due to the importance of undertaking a systematic nutritional assessment of all patients who are admitted.
- Supported mealtimes are periods of time over lunch when all non-urgent clinical activity stops. This ensures patients are able to eat their meals in a calm and relaxing environment without unnecessary interruption. It allows nursing staff to monitor and help patients to meet their nutritional needs which helps to ensure patients don't become malnourished. The newly appointed nutrition nurse has noticed that this system is not universally adopted throughout the hospital.
- Feedback from our patients, staff, community groups and governors indicates this should remain a target.

The indicators are measured and recorded as part of the Quality Indicator monitoring described above and in more details on page 217. The existing 24 question nutrition audit is being reviewed in early 2019/20 and will include the new priority targets.

### Developments planned for 2019/20

- Review Trust's nutritional strategy,
- Roll out prescribed snacks for all wards,
- Improve finger food provision/pictorial menus,

- Develop nutritional care plans for nutritionally vulnerable patient groups e.g. those with pressure ulcers, frail elderly,
- Continue with monthly nutrition audits,
- Set up a multidisciplinary nutrition task and finish group,
- Include an e-learning package on malnutrition/dehydration for clinical support workers and qualified nurses and ensure intensive face to face education for designated high risk/non-compliant areas,
- Malnutrition/dehydration education for student nurses, graduate qualified nurses and clinical support novices,
- Evaluate weighing equipment and new weighing pat slides to be trailed. New floor scales to be installed in appropriate areas,
- Introduce a matron and lead nurse 'pledge' to assist at meal time once a week with support from the executive team,
- Nutrition nurses to oversee/assist at meal times four times a week,
- Produce a staff engagement/education video on supported mealtimes,
- Hold celebratory events including 'Meal Times Matter' week, summer tea party and Nutrition and Hydration Week.

**Board sponsor:** Mary Sexton, chief nurse.

**Operational leads:** Jenny Bree and Julie Pain, divisional chief nurses, matron Sheree Randall, matron Debra Vasey and Izzie Gibson, trust nutrition lead.

## Priority 5 for 2018/19: Medications

- a) Ensure that in 95% or more cases, all prescribed medications will either be: a) signed and dated as administered or b) have an omission code recorded.
- b) All patients who have a known potential to have an adverse reaction or have an allergy or sensitivity to a product/medication are clearly identified by having a red identification band in place

### Rationale for inclusion

The importance of patients receiving their prescribed medication appropriately and on time cannot be overestimated. It contributes to patient wellbeing and recovery and is an indicator of the overall quality of patient care. On occasion this cannot happen, for instance if the patient is nil by mouth in preparation for a particular test, declines the medication, is having an X-ray or is in the theatre suite having a procedure undertaken. It is essential that nurses administering medications record the date and time on the prescription chart. In the few cases when it is not given, this should also be recorded, along with the reason why (a standard set of codes are used for this which include some of the examples stated above). Feedback from our patients, staff, community groups and governors indicates this issue should remain a target.

### How we measure and record this priority

The recording of medications administered and omitted are audited as part of the Quality Indicator monitoring, which is a monthly check of 10 sets of nursing notes undertaken at random on every ward (see page 217). Audit of red wrist bands is undertaken initially by the medicines matron and is then included in the monthly audits undertaken through the Perfect Ward App.

### Developments that occurred in 2018/19

- Collaborative work undertaken with the West Midland Medicines Safety Officer Group to benchmark trusts with omitted doses. Regular audit and action plans for the region also commenced.
- Datix trends reviewed by Safer Medicines Group (SMP).
- Red wrist band policy written and agreed.
- Red wrist band policy launched Trust-wide via the intranet.
- Weekly audits will commence initially by medicines matron to ensure compliance and then will revert to monthly audits once embedded, to be completed by lead nurses.





## Current status: Medications

Quality Dashboard	2017/18	Quarter 1 2018/19	Quarter 2 2018/19	Quarter 3 2018/19	Quarter 4 2018/19	2018/19
Medications signed and dated or omission code recorded	93%	95%	92%	95%	97%	94%

This target was achieved for three of the four quarters and narrowly missed for the whole year. Due to the improved performance from 2017/18 and because in 2019/20 the Trust is introducing an electronic medication prescribing and administration system which means that it will be mandated for nurses to complete this information for each patient, it has been decided to replace this target with a different medication target in 2019/20.

Quality Dashboard	2017/18	Quarter 1 2018/19	Quarter 2 2018/19	Quarter 3 2018/19	Quarter 4 2018/19
Use of Red Wrist Bands	–	–	–	90%	100%

This audit was new in 2018/19. It did not commence until Q3 when it was undertaken on two wards with a result of 90%. It became part of the regular monthly quality indicator audits in Q4 when the results were 100%. Due to it not being monitored for the whole year, it has been decided to retain this target in 2019/20.



## New priority 5 for 2019/20: Medications

- a) All patients who have a known potential to have an adverse reaction or have an allergy or sensitivity to a product/medication are clearly identified by having a red identification band in place.
- b) Achieve a 50% reduction in the number of patients who are not prescribed analgesia for breakthrough pain when they are prescribed regular opioids for pain management.

### Rationale for inclusion

a) The audit of red wrist bands only commenced at the end of 2018/19 so we are retaining this target in 2019/20. It is important to reduce and, where possible, eliminate the risk and consequences of exposing a patient who is known to have an adverse reaction or allergy or sensitivity to a medication/product that may be used in their care.

b) Feedback from patient complaints has identified that some patients' pain control is suboptimal. The aim of this work is to ensure that patients' receive the lowest effective dose to control their pain and allow both a 'step up and step down approach' to pain management.

### How we measure and record this priority and developments planned for 2019/20

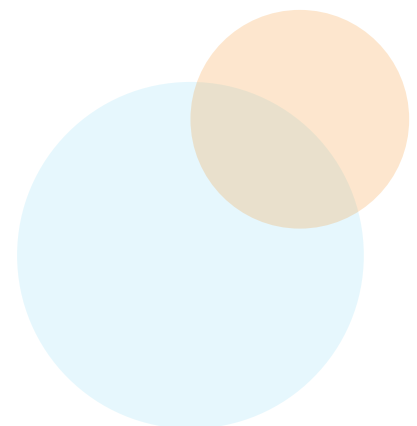
a) This information is collected as part of the monthly Quality Indicator monitoring.

a) Baseline data will be collected during Q1 2019/20 by pharmacists as part of their routine ward visits to in-patient wards. A 'snap-shot' audit tool will be used to record information from in-patient drug charts. No patient identifiable data will be recorded. This will be followed by a complex intervention combining pharmacist-led feedback and other interventional strategies e.g. education and awareness campaigns, targeted towards nursing pharmacy and medical staff. Post intervention data collection will then be

collected during Q4 2019/20. The variation in prescribing pre-and post-intervention will then be evaluated to identify any improvement. It is assumed that implementing the intervention will improve learning, change in healthcare professional behaviour and improved patients' pain control, quality of care and their experience.

**Board sponsor:** Mary Sexton, chief nurse.

**Operational leads:** Julie Pain and Jenny Bree, divisional chief nurses, matron Sara Davies and lead pharmacist medicines governance Suzanne Cooper.



## Priority 6 for 2018/19: Discharge Management

- a) All patients will have an Expected Discharge Date (EDD) determined by assuming ideal recovery and assuming no unnecessary waiting.
- b) Early discharge. All medical and surgical wards will discharge the following number of patients before midday: In Q1, at least one patient. In Q2 at least two patients, which will be maintained in Q3 and Q4.
- c) Delays in discharge. The total number of days that patients due for discharge are delayed will reduce by the following compared to the same quarter in 2017/18: Q1 by 10 per cent, Q2 by 15 per cent, which will be maintained in Q3 and Q4.

### Rationale for inclusion

- We consider safe and effective discharge to be of central importance in the pathway of care for our patients.
- We recognise that being discharged from hospital, which patients often feel is a place of safety, can be an anxious time.
- We also recognise that, once the decision has been made that discharge home can take place, it is an important element of a patient's experience that this takes place quickly and efficiently.
- Discharge planning needs to start from the day of admission.

### How we measure and record this priority

We measure and record this priority with the estimated discharge date and time of discharge recorded on the electronic patient administration system, which links with the Trust's discharge database. On the database, delays in discharge and the reasons for delays are recorded. These systems make it possible to monitor the above targets.

### Developments that occurred in 2018/19

- Ensured that daily ward rounds occur, moving to twice daily ward rounds by the end of the year.
- Ensured that daily/twice daily ward rounds are included in consultant job planning.
- Implemented the 'Red 2 Green' process.
- Ensured that the Estimated Discharge Date is a mandatory field on the patient administration system and the Estimated Discharge Date is retained in the system.



## Current status:

### a) Expected Discharge Date (EDD)

	Overall EDD Percentage Recorded	Monthly Range of EDD Percentage Recorded
April 18 - March 19	73.3%	67.7- 79.6%

This new target was not met this year and so will be retained for next year.

### b) Early Discharge

	Q1 (91 days)	Q2 (92 days)	Q3 (92 days)	Q4 (90 days)
Ward	Days with 1 patient Discharge 7am-12am	Days with 2 patient Discharges 7am-12am	Days with 2 patient Discharges 7am-12am	Days with 2 patient Discharges 7am-12am
A2	87	32	34	37
B1	86	8	17	18
B2 - Trauma	77	3	0	4
B2 - Hip	77	1	4	0
B3	89	25	23	18
B4	85	19	14	10
B5	72	8	11	8
B6	60	11	12	0
C1	80	5	5	5
C3	83	25	37	25
C4	56	4	26	1
C5	81	10	15	20
C6	81	27	12	16
C7	67	11	15	12
C8	83	9	10	12

A number of wards came close to achieving this new target in Q1 but it is realised that the targets set for the rest of the year were over ambitious, and that the nature of the ward and the types of patients that are assigned to it should determine a target for that specific ward.

### c) Delays in discharge. Comparison of each quarter of 2018/19 with the same periods in 2017/18

	Reimbursable delays	Total delays	% decrease (reimbursable)	% decrease (total delays)
2017/2018 Q1	2126	3856		
2018/2019 Q1	445	1464	70%	55%
2017/2018 Q2	1463	2575		
2018/2019 Q2	293	855	80%	67%
2017/2018 Q3	1370	2911		
2018/2019 Q3	576	1489	61%	49%
2017/2018 Q4	744	1740		
2018/2019 Q4	514	1145	31%	34%

(Reimbursable delays are related to social services' responsibilities while totals also include delays due to Trust processes and relatives seeking accommodation for patients medically fit for discharge).

**Board sponsor:** Chief operating office Karen Kelly.

**Operational leads:** Gregg Marson, trust lead - discharge, Gerry Fogarty - deputy director of operations/nursing, Jo Newens, divisional manager, Matt Weller, chief of surgery, Matt Banks, chief of medicine and integrated care, and Hassan Paraiso, clinical director of the Urgent Care Directorate.

Delays in discharge have reduced from last year for every quarter and so the target was met. As delayed discharges are being reduced we are seeing some improvement in beds being available for emergency patients. A considerable amount of work is underway to ensure effective patient flow through the organisation. It is realised that more work is needed and so targets on discharge management will be revised and retained for 2019/20.



## New priority 6 for 2019/20: Discharge Management\*

### Hospital

- a) All patients will have an Expected Discharge Date (EDD) determined by assuming ideal recovery and assuming no unnecessary waiting.
- b) All wards will achieve their individually set target for the number of discharges per day.

### Community

- c) Develop an audit tool, commence monitoring and capture a baseline in Q1.
- d) The percentage of patients with an advanced care plan in the community is increased by 10 per cent from the baseline by the end of the year.

\* this includes the reduction of inappropriate admissions

## Rationale for inclusion

### Hospital

- Ensure effective discharge planning starts at the point of admission to ensure patients get the best possible care in the right place,
- Ensure patients feel involved in their discharge planning to ease any anxiety or distress which may be caused by admission to hospital,
- Feedback from patient survey to monitor comments and outcomes from 'Don't waste time this life is mine',
- Continual use of the Trust electronic discharge database, and
- Developments planned with Sunrise with discharge planning proforma.

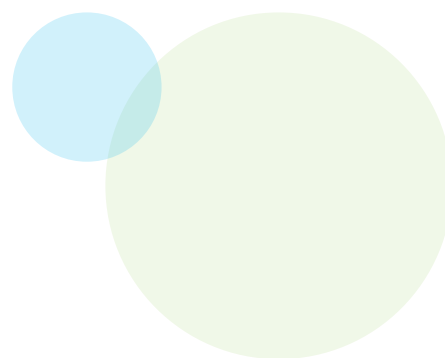
### Community

- Patients dying in place and manner of preference,
- Support for carers in patient's preferred place,
- Reduce unnecessary attendance at Emergency Department,
- Support and Implement Gold Standard Framework goals,
- Response to Berwick Report,
- Care coordinated and joined up across the providers, and
- Support Dying Matters national initiative.

## How we measure and record this priority

**Hospital:** See section above

**Community:** An audit will be performed to monitor the increase in advance care planning in place as part of the Quality Indicators (see page 217). This will be undertaken on a monthly basis by the community team. A dataset will be extracted from the computerised patient administration system, comparing the baseline numbers of advance care plans prior to starting the audit.



## Developments planned for 2019/20

### Hospital

- Visual bed states planned for 2019/2020 to support effective capacity planning and discharge management,
- Continue rollout of 'Don't waste time this life is mine' linking with the Red 2 Green principles,
- Further development with the hospital discharge team including social workers to support effect discharge planning from the point of admission,
- Trusted Assessor service to work across seven days to support productive discharge planning, and
- Develop a 'home first' culture across the Trust to ensure all patients have the opportunity to return home.

### Community

- To promote the 'planning for your future care' document,
- To educate and support patients and relatives to understand the concept of advanced care planning,
- Community team involved in Dudley Improvement Plan to improve the efficiency and effectiveness to core level palliative care with dignity,
- Using the electronic patient system, to produce a standard template of the relevant patient details,
- Community team to be involved in monthly Gold Standard Framework meetings with general practitioners as a multidisciplinary approach, and
- To produce with the matron of Mary Stevens Hospice one end of life care plan to be used as standard across system (paper version); as part of the palliative care cell group.

**Board sponsor:** Chief operating office Karen Kelly.

**Operational leads:** Deputy director of operations/nursing Gerry Fogarty, discharge facilitator Gregg Marson, divisional manager Karen Hanson, chief of surgery Mushtaq Ahmed, chief of medicine and integrated care Matt Banks and clinical director of the Urgent Care Directorate Hassan Paraiso.



## Priority 7 for 2018/19: Incident Management

- a) The Trust's reporting rate will increase every quarter, culminating in a five per cent increase for the whole year and its comparative position on the reporting rate of incidents will improve every six months.
- b) In 2018/19, for the full year reduce the number of Serious Incidents (non-pressure ulcers) by five per cent compared to the numbers in 2017/18.

### Rationale for inclusion

- The safety of our patients is paramount.
- It is widely recognised that an organisation with a positive safety culture has a high incident reporting rate with a reducing number of serious incidents, the latter resulting from learning and changing practice.
- With regards to the overall reporting rate, latest published six monthly comparative figures show the Trust reporting rate was 93rd out of 136 non-specialist organisations. This comparative position shows that there has been improvement.

### How we measure and record this priority

All incidents are recorded within the Trust's incident management system, Datix. Data is extracted from this system monthly and is reported at both an operational level through the respective divisional governance meetings and at a Board level through the reporting to the Clinical Quality, Safety and Patient Experience Committee and the Board itself. Reported incidents are also recorded within the Trust's integrated performance report and developed ward quality dashboards.

### Developments that occurred in 2018/19

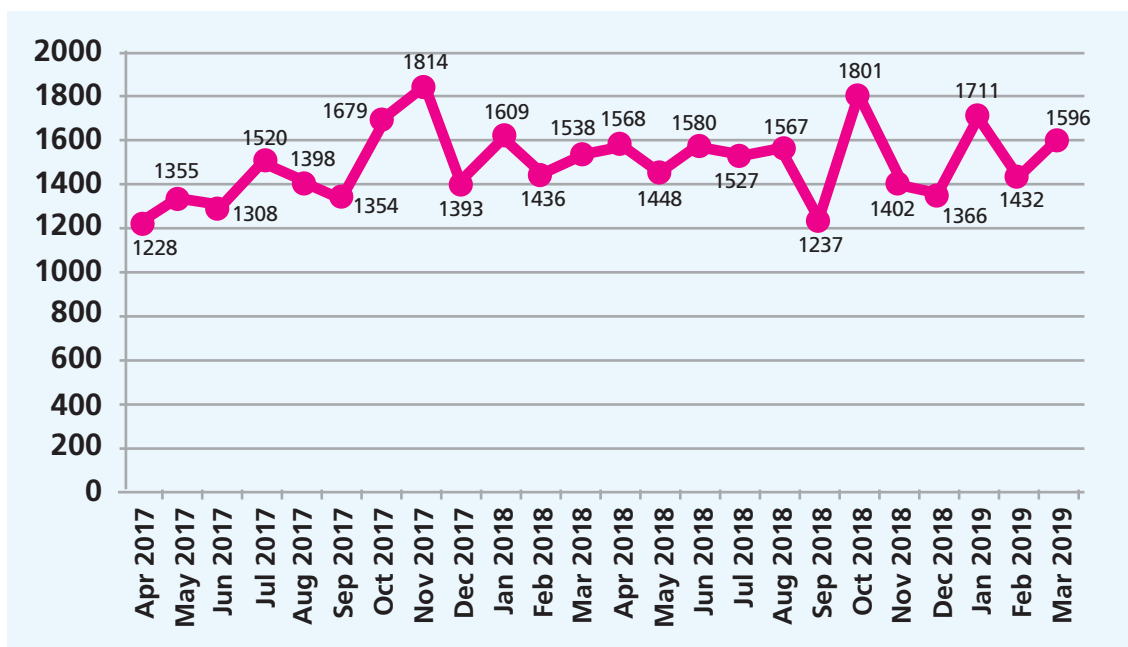
In order to support the organisational change, the following key developments have been completed:

- The corporate incident management team has been expanded to provide enhanced divisional support through a dedicated incident business partner.

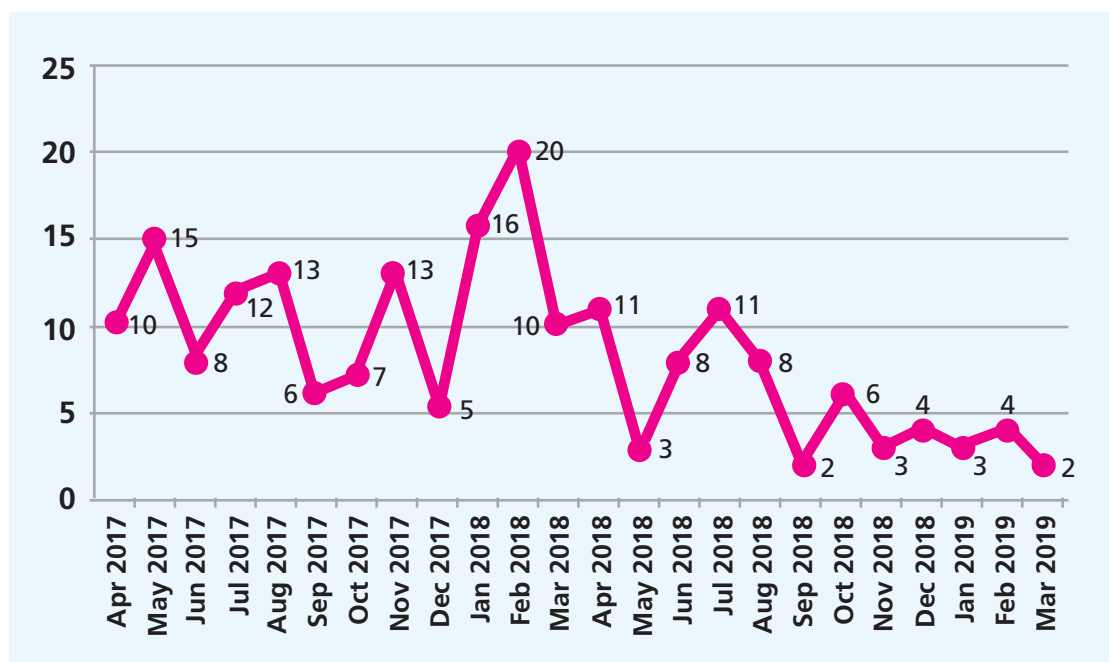


## Current status:

With regards to the number of incidents reported (see the chart below), the Trust has seen an increase over the year (April 2018 - March 2019). There has been a 3.4 per cent increase compared to 2017/18 and so the target of a five per cent increase for the whole year has been narrowly missed.



With regards to the number of serious incidents reported (see the chart below), the Trust has seen a decrease over the year (April 2018 - March 2019). There has been a 52 per cent decrease compared to 2017/18 and so the target of a five per cent decrease for the whole year has been achieved.





## New priority 7 for 2019/20: Incident Management

- a) The Trust's reporting rate will increase every quarter, culminating in a five per cent increase for the whole year, and its comparative position on the reporting rate of incidents will improve every six months.
- b) To reduce the number of breached incident investigations by 30 per cent.

### Rationale for inclusion and how we measure and record this priority

- A positive reporting culture is imperative to ensure learning and the implementation of changes in practice.
- Timely incident investigation is essential to capture and embed learning and the implementation of changes in practice.

### Developments planned for 2019/20

- To engage divisional leaders to understand blockers to complying in timely management of incidents, and
- To undertake a scoping exercise of Governance models that would best meet the Trust's requirements.

**Board sponsor:** Mary Sexton, chief nurse.

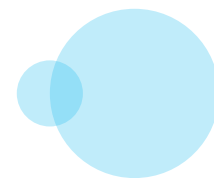
**Operational leads:** Patient safety manager Justine Edwards, Helen Hudson, Claire Evans and Sushma Tiwari, divisional patient safety advisors.



#### Ophthalmology

*We have introduced more nurse practitioner-led clinics, virtual clinics and technician clinics to reduce waiting times and allow for early detection and protection of patients' vision*

# Statements of assurance from the Board of Directors



## Review of services

During 2018/19, The Dudley Group NHS Foundation Trust\* provided and/or sub-contracted 59 relevant health services. The Trust has reviewed all the data available to them on the quality of care in 59 of these relevant health services. The income generated by the relevant health services reviewed in 2018/19 represents 98.3 per cent of the total income generated from the provision of relevant health services by the Trust for 2018/19. *\*Henceforth referred to as 'the Trust'*

The above reviews were undertaken in a number of ways. With regards to patient experience and safety, the Trust executive and non-executive directors, governors and other senior staff, together with representation from Dudley Clinical Commissioning Group, undertake Quality and Safety Reviews of clinical areas (see page 213). The Trust has a Mortality Surveillance Group, chaired by the medical director, which reviews all matters relating to mortality including the Trust's mortality tracking system. Dudley Clinical Commissioning Group is invited to join the mortality review process. Every month, each of the three clinical divisions at the Trust have a performance review undertaken when they are assessed by directors on a variety of quality indicators. We monitor safety, clinical effectiveness and patient experience through a variety of other methods:

- Quality Indicators - monthly audits of key nursing interventions and their documentation. These are being expanded to cover all professional groups with each area having a Quality Dashboard that all staff and patients can view so that the performance in terms of quality care is clear to everyone. The key quality indicators are published, monitored and reported to the Board of Directors every quarter (see page 217).
- Ongoing patient surveys that give a 'feel' for our patients' experiences in real time allow us to quickly identify any problems and correct them (see page 203).
- A variety of senior clinical staff attend the monthly three key sub-committees of the Board to report and present on performance and quality issues within their area of responsibility: Clinical Quality, Safety and Patient Experience Committee, Finance and Performance Committee and Workforce and Staff Performance Committee.
- The Trust has an electronic dashboard of indicators for directors, senior managers and clinicians to monitor performance. The dashboard is essentially an online centre of vital information for staff.
- The Trust works with its local commissioners, scrutinising the Trust's quality of care at joint monthly Clinical Quality Review Meetings.
- External assessments of the Trust services, which included the following key ones this year:

With regards to pathology departments: United Kingdom Accreditation Service (UKAS) visits each pathology discipline separately each year and assesses against the international standard for medical laboratories - ISO 15189:2012 Medical laboratories – Requirements for quality and competence. All of the departments within pathology have maintained their accredited status for another year.

The Haematology Department was visited between 18th April 2018 and 24th April 2018 for their first surveillance visit and was successful in continuing its accredited status.

Immunology, Cellular Pathology and Microbiology Departments were visited in turn throughout November 2018.

Immunology and Microbiology had their first surveillance visits on 9th November and 26th November respectively. They have maintained accreditation providing they have satisfactory close out of all mandatory findings raised at the visits.

Cellular Pathology Department had its third surveillance visit on 21st November 2018 and it too has maintained accreditation providing it has satisfactory close out of all mandatory findings raised at the visit.

The Clinical Biochemistry Department applied for an extension to its accredited scope with UKAS [this is when the department has tests added to its accredited repertoire] and was visited on 9th May 2018 to assess the department on its successful implementation of tests on new analysers. The Trust is still waiting for UKAS to confirm accreditation of these tests as UKAS has a backlog of extensions to scope and to go through its decision making process.

Pathology is currently undergoing a period of change in its service provision. The Black Country Pathology Services (BCPS) partnership will integrate pathology services at The Royal Wolverhampton NHS Trust (RWT), with Sandwell West Birmingham Hospitals NHS Trust (SWBHT), The Dudley Group NHS Foundation Trust (DGFT) and Walsall Healthcare NHS Trust (WHT). The aim is to create a shared pathology service, with the hub based at New Cross Hospital, Wolverhampton and Essential Service Laboratories (ESL) at each of the remaining hospital sites (SWBHT, DGFT and WHT). There is a planned transformation period (approximately two years) before pathology services are consolidated at the hub laboratory site. In addition, the legal entity for accreditation purposes for Pathology

changed in December 2018 to 'The Royal Wolverhampton NHS Trust operating as Black Country Pathology Services'.

The Human Tissue Authority (HTA) inspected the Mortuary in April 2018. Fourteen non-compliances were identified, 11 were judged to be minor and three were judged to be major. These have now been rectified. The Mortuary (along with Phlebotomy) will be one of the retained services at DGFT and will not be part of the BCPS.

- With regards to education and training, a Learner Educator Review of Emergency Medicine occurred in October 2018. Overall trainees described a largely positive training environment within the ED at the Trust despite the pressures the department has faced, although these have impacted upon the breadth of training that the department has been able to provide, in particular with shop floor teaching and training by consultants. No significant concerns with training were identified and the majority of trainees recommended their post. A progress report back to the reviewers was due in March 2019. A successful medical undergraduate monitoring visit occurred in March 2019. The reviewers thought that the structure here is tightly knit and better than most of the other academies in the West Midlands; finance control is good and they were impressed by the running/control of our budget; they thought that the academy has strong leadership and team working. They were very impressed by our multi-media, clinical skills, simulation teams and our radiographer. They felt that these teams make inter-professional education a real possibility and bring it to life. Two recommendations came out of the visit that we will need to act upon once we receive the official report from the visit.

- GIRFT (Get it Right First Time) is a national programme designed to improve the quality of care within the NHS by reducing unwarranted variations. It identifies changes that will help improve care and patient outcomes, as well as delivering efficiencies such as the reduction of unnecessary procedures and cost savings. It is led by frontline clinicians who are expert in the areas they are reviewing. This year a number of areas of the Trust have been reviewed by GIRFT. Hospital Dentistry had a visit in December 2018 when no serious concerns were expressed and praise was given for our mix of clinical skills. General Surgery had a GIRFT visit in January 2019. We have not received the official report and recommendations yet but an action plan will be drawn up when this is received. The results of the GIRFT urology visit were that the Trust is performing extremely well in many respects. It was seen as a forward-thinking unit, which is working very effectively with management colleagues. There are clear opportunities for further development of the unit to build on its current status as a major provider of genitourinary reconstructive surgery. There is an action plan that has been developed and being scrutinized to ensure it is robust and achievable. With regards to Trauma and Orthopaedics, a GIRFT visit led by Professor Tim Briggs occurred in August 2018 with positive results and there is a planned visit for 6 March 2019 visit from Sandwell and West Birmingham Hospitals NHS Trust in relation to the Virtual Fracture Clinic.

In the Women and Children directorate the West Midlands Quality Review Service assessed Paediatric Services for Critically Ill and Critically Injured Child in September 2018. The service was commended for an excellent in-hospital transfer policy, standard operating procedure for paediatric admission to the Adult Intensive Care Unit and CAMHS pathway. There was an invited service review of Acute Paediatric Services by the RCPCH in October 2018. The Paediatric team was

commended that they were largely cohesive, worked hard and staff mostly enjoyed their work creating a positive, patient-friendly environment. Dr Ros Negrycz (Safeguarding and Looked After Children) from University Hospital of North Midlands was invited to review safeguarding cases. The review occurred between August – October 2018. A report was provided to the Trust based on his review of safeguarding cases. An action plan has been developed to implement the recommendations.

A Quality Assurance visit was carried out by the PHE screening quality assurance service (SQAS) for the services provided by the gynaecology department for the Cervical Cancer Screening Programme. An action plan has been developed based on the recommendations from SQAS and the team is working with SQAS to implement this action plan.

During the year an independent review of mortality within the Emergency Department took place. It found in eight of the 229 deaths that occurred over a two year period there were some things we could have done to improve the quality of care provided, however, it found that the deaths of these eight people were unavoidable. The review team also found that 50 per cent of patients who died did so within the first hour of arrival within the department and often after prolonged attempts at resuscitation. Many of these patients will have been at the end of life and beyond medical help. The recommendations made in the report built on the improvement work already occurring to ensure we provide the very best and safest of care to all of our patients.

Following a review by The Vascular Society of Great Britain and Ireland (VSGBI) of the vascular services at the Trust, a Vascular Network Away Day has been arranged in February 2019 where the recommendations will be discussed.

A quality systems audit was carried out of the Pharmacy Aseptic Unit by NHS Quality Control NW in May 2018. RHH aseptic unit is a low risk unit. There were no critical or major issues.



## Participation in national clinical audits and confidential enquiries

During 2018/19, 45 national clinical audits and three national confidential enquiries covered relevant NHS services that the Trust provides. During that period the Trust participated in 100 per cent of the national clinical audits and 100 per cent of the 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 the Trust was eligible to participate in, actually participated in, and for which data collection was completed during 2018/19 are listed below. Tables 1 and 2 show 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. There was no data collection nationally for four national audits.

Table 1

National Clinical Audits	Participation	% submitted
<b>Women</b>		
Maternal, Newborn and Infant Clinical Outcome Review Programme (MBRRACE)	Yes	100%
National Maternity and Perinatal Audit (NMPA)	Yes	100%
<b>Paediatrics and Neonates</b>		
Diabetes (Paediatric) (NPDA)	Yes	100%
National Neonatal Audit Programme (NNAP)	Yes	100%
National Audit of Seizures and Epilepsies in children and young people (Epilepsy 12)	Yes	Data collection started
<b>Acute Care</b>		
British Association of Urological Surgeons (BAUS) - Urology Audits - Nephrectomy	Yes	100%
BAUS - Urology Audits - Percutaneous Nephrolithotomy	Yes	100%
Case Mix Programme (CMP)	Yes	100%
National Cardiac Arrest Audit (NCAA)	Yes	100%
National Emergency Laparotomy Audit (NELA)	Yes	100%
Feverish Children - Care in ED (Emergency Department)	Yes	100%
Vital signs in adults - Care in ED	Yes	100%
VTE risk in Lower Limb Immobilisation - Care in ED	Yes	100%
National Audit of Care at the End of Life (NACEL)	Yes	100%
Adult Community Acquired Pneumonia	Yes	100%
Elective Surgery (National PROMS Programme)	Yes	100%
National audit of Intermediate Care	Yes	100%
Seven day hospital service	Yes	100%
National Mortality case record review programme	Yes	Feasibility study

**Table 1 (continued)**

National Clinical Audits	Participation	% submitted
<b>Long Term Conditions</b>		
Inflammatory Bowel Disease (IBD) Registry, Biological Therapies Audit	Yes	100%
National Asthma and COPD audit programme	Yes	100%
Learning Disability Mortality Review Programme (LeDeR)	Yes	100%
National Vascular Registry	Yes	100%
National Audit of Dementia	Yes	100%
National Ophthalmology Audit	Yes	100%
National Clinical audit for Rheumatoid and Early Inflammatory Arthritis	Yes	100%
<b>National Diabetes Programme</b>		
National Inpatient Audit Diabetes (Adult)	Yes	100%
National Foot Care Audit	Yes	100%
National Pregnancy in diabetes audit	Yes	100%
<b>Cardiovascular Disease</b>		
Cardiac Rhythm Management (CRM)	Yes	100%
Acute Coronary Syndrome or Acute Myocardial Infarction (MINAP)	Yes	100%
National Heart Failure Audit	Yes	100%
Sentinel Stroke National Audit Programme (SSNAP)	Yes	100%
<b>Cancer</b>		
Bowel Cancer (NBOCAP)	Yes	100%
Lung Cancer (NLCA)	Yes	100%
National Prostate Cancer Audit	Yes	100%
National Audit of Breast Cancer in Older People (NABCOP)	Yes	100%
Head and Neck Cancer Audit	Yes	100%
Oesophago - Gastric Cancer (NAOGC)	Yes	100%
<b>Trauma</b>		
Major Trauma - The Trauma & Audit Research Network (TARN)	Yes	100%
National Joint Registry (NJR)	Yes	100%
<b>Falls and Fragility Fractures Audit Programme (FFFAP)</b>		
Inpatient Falls	Yes	100%
National Hip Fracture database	Yes	100%
<b>Blood Transfusion</b>		
National comparative audit of blood transfusion programme	Yes	100%
Serious Hazards of Transfusion (SHOT)	Yes	100%

Table 2

National Confidential Enquiries				
Name of Study	No. of Cases Included	No. and % of clinical questionnaires submitted	No. of case notes submitted	No. of organisations questionnaires submitted
Acute Bowel Obstruction	8	3/38%	2	0
Pulmonary Embolism	6	5/83%	5	1
Perioperative Diabetes	7	7/100%	7	2
Cancer in Children, Teens and Young Adults	2	2/100%	2	1

Table 3

The reports of 18 national clinical audits were reviewed by the Trust in 2018/19 and the Trust intends to take the following actions to improve the quality of healthcare provided:

National Audit Title	Details of actions taken or being taken to improve the quality of local services and the outcomes of care.
NHFD – National Hip Fracture database	Theatre efficiency has improved mainly in obstetrics and trauma theatres. The Trust's case mix adjusted mortality has significantly dropped to 5.4 per cent. This reduction is credited to the extensive work undertaken within the department including: an anaesthetic review of all mortalities, the introduction of a 15 minute spinal rule and 20 minute surgical rule and a re-focus on admission to theatre time.
NNAP (Neonatal Annual Audit programme)	Medical staff/nurse practitioners are now recording consultations with parents within 24 hours from admission in the medical notes and BADGER (electronic system). A magnesium sulphate audit is underway to ensure compliance with the required standard.
National Clinical Audit of Rheumatoid Early Arthritis	All new patient referrals are triaged to ensure inflammatory arthritis patients are seen within three weeks as per standard. For a new diagnosis of arthritis, all patients will receive Arthritis Research UK patient leaflet. Communication with patients will improve by discussing treatment targets at follow up clinics.
7 Day Review Services	This is ongoing work and to drive up the standards a Seven Day Strategy has been developed and a Standard Operating Procedure and a directory of the services available on weekdays and weekends is being developed.
NADIA (Inpatient Diabetes Audit)	The Trust is in the lowest quartile for diabetes-related incidents. 100 per cent of patients receive the diabetic foot assessment within 24 hours of admission.

**Table 3 (continued)**

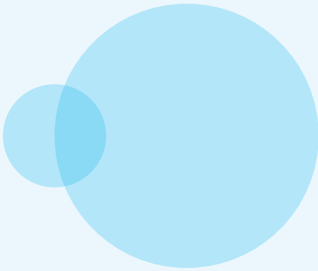
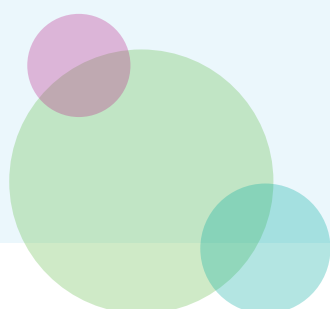
National Audit Title	Details of actions taken or being taken to improve the quality of local services and the outcomes of care.
NPDA – National Audit Paediatric Diabetes	To improve the Trust's compliance rate, a dedicated person will be employed to input all the data into the 'Twinkle' database and a psychologist will form part of the team.
The National Maternity and Perinatal Audit (NMPA)	There are nine key standards that are measured in this audit and the Trust is non-compliant with two and is taking the necessary action.
SSNAP – Sentinel Stroke Audit	The compliance rate in the audit is one of the best in the country. The targets were achieved and exceeded on the following standards: proportion of patients scanned within one hour, proportion of patients reported as requiring occupational therapy, proportion of applicable patients in atrial fibrillation who are discharged on anticoagulants or with a plan to start anticoagulation. There was a demonstrated improvement in mood and continence recording in the audit.
ICNARC (Intensive Care National Audit and Research Centre) CMP	All discharges are now reviewed by a consultant after leaving ICU.
National Emergency Laparotomy Audit (NELA) (4th National Report)	The Trust is compliant with all standards with the exception of two. An action plan is being formulated and will be monitored. Good practice is that the Trust has the fourth lowest mortality in the region.
National Audit of Dementia	A local action plan is being developed to address the low compliance areas.
National Diabetes Foot Care Audit 2014-2016	The Trust is planning to create patient pathways and work closely with the commissioners to improve foot care services.
Pulmonary Rehabilitation: Steps to breathe better	An individualised exercise plan for post-rehabilitation patients has been implemented and care bundles are to be reintroduced.
The National Cardiac Arrest Audit (NCAA) 	Our number of cardiac arrest per 1,000 patients is within the national average. Our survival to discharge (alive) rate is 9.6% which is below the national average of 14 - 21 per cent. This may indicate reduced recognition of the deteriorating patient but to ascertain that would require a more in-depth review of cardiac arrest patients' notes and interrogation of observations prior to the arrest. The report may support that there are issues with decision making around DNACPR status and resuscitation of patients where CPR has no realistic chance of success. All necessary actions will be undertaken and will be monitored by the deteriorating patient group.



Table 3 (continued)

National Audit Title	Details of actions taken or being taken to improve the quality of local services and the outcomes of care.
Royal College of Emergency Medicine (RCEM) Fractured Neck of Femur	The areas of good practice were 90 per cent of ambulance notes available whilst the national comparative was 72 per cent. 72 per cent of the patients were prescribed analgesia pre hospital visit with the national average being 66 per cent. 68 per cent of patients had their pain score taken within 0-5 minutes of arrival. This is much better than the national rate of 23 per cent. There is an issue with the documentation of the cases reviewed and it is important to highlight this. Training sessions for ED staff will occur on the importance of documenting in a timely manner.
RCEM Pain in Children	The areas of good practice that were identified in the audit were that 55 per cent of paediatric patients receive pre hospital administration of analgesia while the national figure is 30 per cent. 99 per cent of patients received an X-ray and 100 per cent were assessed for safeguarding issues around documented evidence that non-accidental injury was considered in the ED. There are issues with prescriptions being completed retrospectively for administration of analgesia and with the triage system capturing pain score information.
RCEM: Procedural Sedation in Adults	The results indicated that only 2 per cent of patients undergoing procedural sedation in the ED did not have documented evidence of pre-procedural assessment. All patients gave informed consent. 60 per cent of cases all had documented monitoring aspects of non-invasive blood pressure, pulse oximetry, capnography and ECG.
COPD – Chronic Obstructive Pulmonary Disease	<p>The national audit for COPD demonstrates that the Trust is doing well in looking after patients with COPD and achieving the Best Practice Tariff (BPT). The key indicators and results for the Trust are below.</p> <p>Oxygen prescribed for the patient – 98 per cent  Spirometry result available - 90 per cent  Current smokers prescribed smoking cessation pharmacotherapy – 18 per cent  Respiratory review with 24 hours – 79 per cent (BPT 60 per cent)  Discharge bundle in place – 70 per cent (BPT 60 per cent)</p> <p>There has been a reduction in inpatient mortality from 7.8 per cent in 2008 and 4.3 per cent in 2014 to 3.9 per cent. Respiratory review of admissions within 24 hours has improved from 54.8 per cent in 2017/18. There was a significant improvement in oxygen prescription from 57.3 per cent in 2017/18.</p>



## Local clinical audit

The reports of 31 completed local clinical audits were reviewed in 2018/19 and the Trust has taken, or intends to take, the following actions to improve the quality of healthcare provided:

Local audit title	Details of actions taken or being taken to improve the quality of local services and the outcomes of care.
Trauma and Orthopaedics 30 day readmission audit	Actions being taken include more patient education and support following discharge. An information sheet for patients with contact number for minor concerns (e.g. swelling, pain, erythema) and access to ad-hoc clinics is planned.
Consenting Patients	The proposed intervention is to use a standardised consent form to include pre populated risks and benefits for the individual procedures.
National Patient Safety Agency Radiology audit	The issue of non-compliance to the standard operating procedure for specialty X-ray reporting has been added to the risk register and an action plan formulated to address the issues.
Airway Assessment Audit	The recommendations are to alter the anaesthetic chart to include other objective assessments of components of the airway. Consider including a section for anticipated difficult airway.
Pre-operative fasting	The recommendations are to introduce a 6am pre-operative carbohydrate drink round for all those patients known to be on the elective, emergency or trauma list. Offer clear tap water on patient arrival in admission lounge and in the ward. Educate nursing staff and doctors on the benefits of reducing starvation and prescribing pre-operative carbohydrate drink to be emphasised.
Confirming removal or flushing of lines and cannulae after procedures	A question about cannulae flushing was included in local documentation for handover from procedural area to recovery, and recovery to the subsequent place of care, the requirement for documented and verbal confirmation that lines not in active use have been removed and multi-lumen connectors and cannulae removed or flushed. 100 per cent compliance in January 2018.
Audit of time to angioplasty in critical limb ischaemia (CLI) patients	The action to review the outpatient triage structure for CLI patients who are referred for angioplasty needs to be discussed. Therefore the vascular lead will contact the radiology lead and look at a process.
CHIPS (Chronic Pain Inpatients Pain Service)	Action is to develop a case and Increase staff capacity. The pain management lead is liaising with the finance director.

## Local clinical audit (continued)

National Audit Title	Details of actions taken or being taken to improve the quality of local services and the outcomes of care.
Procedure in the last week of life audit	Actions to recognise palliative and end of life care needs of patients and those close to them is being addressed with the implementation of the Gold Standard Framework.
Constipation in children NICE clinical guidance audit	Actions taken to address the lack of compliance against the standards include doctors reviewing patients' need to book appointments as necessary and need to improve documentation paying particular attention to consent for rectal medication and all children to be assessed for faltering growth. An aide memoir will be created for doctors to ensure that the issues around appointments, diet and exercise are discussed.
Obstetric suxamethonium – 100mg enough?	Some of the suggested improvements are to routinely draw up induction drugs in the emergency theatre. The drug box is to have one ampoule of succinylcholine drawn up but to have a second ampoule in the box.
Re-audit management of deep vein of thrombosis (DVT) in ambulatory emergency care (AEC)	This was a re-audit. The results demonstrate that there is a reduction in the number of patients having an ultrasound Doppler performed with the 24 hours. In order to achieve better compliance the Trust needed to invest in a dedicated sonographer for AEC. The sonographer has now been recruited.
The Effectiveness of Corticosteroid injection in reducing perceived pain within the first Metatarsophalangeal Joint (MTPJ)	This audit demonstrates that the department is meeting the professional standards of reviewing practice and drawing upon new knowledge to inform practice. Additionally, the department is able to demonstrate adherence to NICE guidance through the provision of safe and effective CSIs for degenerative joint disease, whilst recognizing the limitations of this treatment and educating patients accordingly.
A re-audit of denosumab monitoring in primary care in Dudley	The wording of the effective shared care agreement (ESCA) was changed to make it clearer to GP practices that it was their responsibility to ensure a recall system is in place at a six month interval and that bloods are taken two weeks before each injection. We also updated the patient information leaflet to explain the importance of blood monitoring. Practice pharmacists have implemented various changes including adding screen messages re: checking vitamin D annually, ensure calcium level checked two weeks before each denosumab injection. Direct feedback to the practices is to improve patient monitoring and safety now and in the future.
Caudal Anaesthesia: A re-audit of practice in paediatric urology surgery	Outcomes include standardised dosing for local anaesthetic and clonidine, improved documentation of pain scores and formal review of patients post-operatively to assess efficacy and complications.

## Local clinical audit (continued)

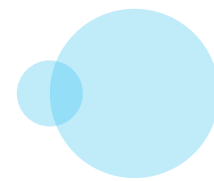
National Audit Title	Details of actions taken or being taken to improve the quality of local services and the outcomes of care.
Oxygen (O2) prescription and monitoring	Actions include ensuring that oxygen given should be prescribed as per policy except in emergency situations but should be reviewed once the patient settles, target saturation should be mentioned in the prescription, the target saturations of O2 should be accurate with the patient's co-morbidities and should be daily reviewed and signed off and nurses should check the O2 prescription like any other drug before it is delivered and sign it on every drug round.
Priorities for Care of the Dying Person	An action plan commenced November 2018 reporting through divisions and monitored quarterly at the Trust end of life working group. Mandatory training programme e-Learning is available and compliance is monitored through the same group.
Re-Audit: Arterial Blood Gas (ABG) Documentation	Actions include improve awareness among junior doctors by email circulation to new starters and synching all ABGs on Trust Digitalisation with pathology database.
Audit on melanoma: assessment and management	Action included staff education and dissemination of information to multidisciplinary team members regarding the recommendations.
Child Safeguarding Audit	The transfer document will be amended to include a question to assess whether the child protection information system (CP-IS) had been checked and any associated concerns.
Evaluating the initial management and outcomes of patients with suspected necrotising fasciitis – baseline audit	The clinicians will liaise with the relevant departments to draft a tailored local policy for necrotising fasciitis.
EmLap pathway	The regular teaching for junior doctors will be updated to reflect better completion of documentation including completing the sepsis 6. The second senior registrar will be available 24/7 instead of 9-5pm.
Valproate NPSA Alert Audit	A number of actions have been agreed including instructions to be sent to all GP practices to ask them to obtain clear information to enable prioritisation of patients aged 16-35 to be triaged/risk stratified. Pregnant patients taking valproate for epilepsy should be advised to attend the Urgent Care Centre/ED where a neurology specialist will be contacted and existing patients receiving treatment under a consultant psychiatrist will be reviewed in accordance with actions for specialist prescribers in the healthcare professional booklet.

## Local clinical audit (continued)

National Audit Title	Details of actions taken or being taken to improve the quality of local services and the outcomes of care.
BSR Multi Regional Audit on the management of patients with systemic lupus erythematosus (SLE)	In 2018 the Trust audit department worked with the British Society of Rheumatology (BSR) to host a Multi-Region Audit on the management of patients with SLE. Data was collated from 51 centres in the UK with >1000 submissions. This data provides valuable baseline information on the care of patients with SLE in accordance with BSR guidelines published in 2017. As a result of the audit a number of tools and a consultation checklist have been developed to aid quality improvement in care. Results of the audit will be presented at the BSR national conference in May 2019.
Audit of Neonatal Documentation at Delivery and On Admission to the NNU	The newborn record sheet and the admission document need to be completed to improve compliance rate unless cases are considered as exemptions (identified in the standards). A comprehensive action plan has been submitted for the nursing and midwifery team to work together.
Clinical effectiveness and accuracy of stress	Advanced echo cardiographer training is to occur, leading to a echocardiography physiologist led service for low risk straightforward studies. Increased number of exercise stress echoes to occur.
Fluid-balance and hydration status in the frail elderly population – A Quality Improvement Project for early identification of at-risk patients	Ward-based education to recognise the patients at risk and implementing the proforma tool.
Pneumonia Nice Guideline Audit 2018	Actions include adding the pneumonia severity score CURB 65 to electronic clerking and to link this to Trust guidelines. Improve X-ray timing, electronic investigations and prescribing; audit on management of pneumonia in adults according to the Trust guideline; audit on the relationship between CURB65 and the patient outcome.
Time of decision to admit to ICU to time of actual admission time ICU	Improve documentation of the time when the decision to admit to ICU was made. A reminder to ICU medical staff at anaesthetic meetings to do this, indicating to them where the field is on the admission note.
Consultant Intensivist review within 12 hours of admission to ICU	Reminder to medical staff to document elective patients being seen by ICU consultant.
Audit on melanoma: assessment and management	Increase staff education and dissemination of information to MDT members regarding various recommendations.



# Research and development (R&D)



The number of patients receiving health services provided or sub-contracted by the Trust in 2018/19 that were recruited during that period to participate in research approved by a research ethics committee was 1,727.

## Clinical specialties

The locally designed and sponsored National Institute for Health Research (NIHR) portfolio study 'Recovery after Emergency Laparotomy (REmLap): a prospective, observational, feasibility study' recruited its 50th (final) participant in January 2019. Data analysis has now commenced and the Chief Investigator, Dr Julian Sonksen, has entered discussions with the Patient, Carer and Public Involvement and Engagement (PCPIE) Working Group at the Royal College of Anaesthetists in order to simplify patient and carer involvement in preparation for 'REmLap 2'.

The anaesthetics department recruited particularly well (208 participants) to a national study examining anaesthetists' responses to drug allergy labelling in the elective surgical population (DALES). The department has been best national monthly recruiter for the study FLuid Optimisation in Emergency Laparotomy (FLO-ELA) on two separate occasions. These studies are led by Dr Richard Pierson and Dr Adrian Jennings respectively.

The cancer research team also received a prize for being a top recruiter to the national study 'Mammographic surveillance in breast cancer patients aged 50 years and over: a randomised controlled trial'.

The rheumatology research team, led by Dr Karen Douglas, is hailed as the second best national recruiter to the drug trial 'Arthritis Prevention In The Pre-clinical Phase of Rheumatoid Arthritis with Abatacept'

(APIPPRA), a study hypothesis which, if proven, could significantly alter the national treatment pathway for the disease. The team is also involved in three national scleroderma studies. This is an uncommon disease and one in which research initiatives will provide better overall care for Dudley patients.

Rheumatology is continuing a long-standing collaboration with the School of Sport and Exercise of Birmingham University; three PhD students are currently completing their theses with us. Orthopaedics and Neurology have also hosted two University of Birmingham PhD candidates this year. Further collaborations with the universities of Aston and Bangor are in the set up stages.

Consultant dermatologist, Dr Effie Ladoyanni, is listed as a co-author in a 2018 publication resulting from research into the genetics of acne, to which the dermatology team previously recruited 200 patients. The paper has generated a lot of national media coverage. She has also received a letter of recognition from the Clinical Research Network – West Midlands, praising her success at recruiting to time and target in commercial dermatology trials.



## Training and infrastructure

The Research Forum, run by Dr Liz Hale, has supported a number of allied health professionals and nurses undertaking MSc degrees or Trust research/audit work. In the last year at least one candidate has graduated with an excellent MSc. Notably, Trust community service staff have engaged well, although they struggle to attend the bi-monthly meetings. Dr Hale is also providing critical appraisal training for student nurses and Foundation Years 1 and 2 medical staff. The student nurse placement programme with Research and Development (R&D) continues to function well, covering a variety of specialties and introducing the students to administrative aspects.

Specialist nurses Trust-wide continue to improve their awareness of studies carried out in their own clinical areas and there is good collaboration in the area of gastroenterology where a number of nurse endoscopists have undertaken the hour-long Good Clinical Practice Fundamentals training with particular reference to ongoing research studies. Good Clinical Practice refresher training for local principal investigators and research nurses is now available online; many staff still prefer face-to-face sessions as this gives an opportunity to discuss individual solutions and challenges.

The first results of the audit programme of research studies have been analysed and as a direct result of the findings the R&D facilitator devised and ran workshops on investigator site file management and maintenance with all R&D staff grades. Staff subsequently suggested that the workshop will be a useful training tool for new research nurses on induction.

In conjunction with the finance department, the R&D administration team has rolled out a local invoicing system for research studies within the national EDGE database so that income can be more systematically monitored

and chased. This undertaking has involved the cooperation of all the research nurses and data managers, and fits in very well with the national roll-out of locally generated recruitment reporting currently being piloted across England. Staff demonstrated the system at a regional managers' meeting in January 2019 and received many expressions of interest. The scheme is also accepted as a poster presentation at the 2019 NHS R&D Forum national conference.

## Public engagement

Consultant rheumatologist Dr Holly John's joint project with the National Rheumatoid Arthritis Society, 'Love Your Heart', is an interactive online education programme to help patients with rheumatoid arthritis at increased risk of cardiovascular disease make appropriate lifestyle changes (<https://www.nras.org.uk/love-your-heart>). The project received two awards during 2018: the Meridian Celebration of Innovation Award from the West Midlands Academic Health Science Network and the Research Impact Award from Clinical Research Network: West Midlands. R&D continues to keep in touch with Dudley Group's research ambassador who also took part in our International Clinical Trials Day event in May 2018 at Russells Hall Hospital's Health Hub. He has also started to attend R&D quarterly departmental meetings to provide a patient presence and perspective.



## Research into practice

The results of a collaborative randomised controlled study involving the University of Wolverhampton indicated that home-based physical activity intervention led to increases in cardiorespiratory fitness and self-reported physical activity in breast cancer survivors that were likely to be beneficial, if only modestly so. This intervention has the potential for widespread implementation and adoption, which could considerably impact on post-treatment recovery in this population.

The cancer research team is recruiting to the study 'Saliva to predict disease' which aims to prove that instead of undergoing invasive endoscopies to detect cancer/Barrett's oesophagus, patients in future will only need to provide a saliva sample that can be tested using an innovative laboratory test.

Dudley patients took part in a study that showed an improvement in survival of myeloma patients who received prophylactic antibiotics during the first three months of treatment. The results were first presented to the American Society for Haematology in 2017, and a paper has now been submitted for publication. Clinical practice is changing in the light of these findings.

In 2016 seven Dudley patients signed up for a clinical trial to receive a new type of insulin for treating type 1 diabetes. Safety data released in 2018 showed that the product

provided better control of patients' disease. Local principal investigator, Dr Terence Pang, was quoted in the publication, saying: "These new data are a great addition to the existing body of evidence supporting the use of Gla-300 in diabetes. Gla-300 is well-established as a cornerstone treatment for type 2 diabetes and its use is supported by extensive clinical data. However, this evidence is not so abundant for the treatment of type 1 diabetes. These findings provide strong real-world evidence that can provide evaluations of the effectiveness of a medicine in daily use, and augment clinical data to further help HCPs make clinical decisions."

Results of the multi-centre study 'Restrictive versus Liberal Fluid Therapy in Major Abdominal Surgery' which ran at Russells Hall Hospital was published in 2018. Among patients at increased risk for complications during major abdominal surgery, a restrictive fluid regimen was not associated with a higher rate of disability-free survival than a liberal fluid regimen and was associated with a higher rate of acute kidney injury. This finding can therefore be implemented in clinical practice.

## Publications

Trust publications for the calendar year 2018, including conference posters, stand at 160.

### Ward B2 (Trauma)

*"Throughout there was someone to help me through my low periods. This meant a lot to me. I was treated with lots of dignity and everyone was professional."*

# Commissioning for Quality and Innovation (CQUIN) payment framework

## What are CQUINs and what do they mean for the Trust?

The CQUIN payment framework was introduced in 2009 to make a proportion of providers' income conditional on demonstrating improvements in quality and innovation in specified areas of care. Whether the Trust receives its CQUIN payments is dependent on achieving certain quality measures. This means that some of the Trust's income is conditional on achieving certain targets that are agreed between the Trust and our commissioners (Dudley Clinical Commissioning Group and NHS England).

A proportion of the Trust's income in 2018/19 was conditional upon achieving quality improvement and innovation goals agreed between the Trust and any person or body they entered into a contract, agreement or arrangement with for the provision of relevant health services, through the Commissioning for Quality and Innovation (CQUIN) payment framework. Further details of the agreed goals for 2018/19 and for the following 12 month period are available electronically at:

<https://www.england.nhs.uk/nhs-standard-contract/cquin/>

The value of CQUINs is based on 2.5 per cent of our activity outturn which equates to a potential income of £6,463,083. A total 12 CQUIN schemes were agreed with a combination of locally and nationally agreed goals with associated milestones. At the end of the financial year, it is forecast that we will achieve or partially achieve the indicators. For example, we have

- achieved the national target set for vaccinating frontline staff against flu,
- removed unhealthy drinks and snacks from our restaurants and retail outlets,

- met targets for screening patients for serious infections and reviewing their antibiotics,
- implemented advice and guidance for GPs to ensure patients receive the right care in the right setting,
- met the target of 100 per cent of our services being available for electronic referral,
- reviewed and improved our discharge pathways for patients aged over 65 years,
- provided advice to patients who would benefit from advice on lifestyle changes (for example, patients who smoke and consume higher risk alcohol consumption),
- reviewed patients who access our dental services and treated patients as outpatients (rather than day case patients) where appropriate,
- improved pathway and implemented electronic referrals for oral dental patients,
- raised awareness of aortic aneurysm screening for males to improve the number of patients accessing screening services,
- reduced the amount of medicines wasted across the Trust, and
- improved services for neonatal patients to keep patients closer to parents.

The indicators where we are not expecting to reach full achievement are listed below and on the following page. Mitigating actions have been put in place for 2018/19. These include

- Improving the health and wellbeing services available for staff to address concerns relating to work-related stress and musculoskeletal problems raised through the staff survey. This will be monitored via a service development programme nationally set within the 2019/20 contract.



- Ensuring patients receive the appropriate screening and antibiotic for reducing infections – sepsis. Improvements are being seen and will continue to be monitored in 2019/20, there is a change from a CQUIN to national contract performance.
- Improving the initial administration of antibiotics for patients where an infection is identified and ensuring an overall reduction in patient antibiotic consumption. We will receive part payment of this CQUIN and will continue to develop and implement our improvement plan for this in 2018/19.
- Demonstrating screening and the offer to onward refer to a council-led service patients who wish to receive smoking and alcohol support. We have had constraints regarding the onward referral process due to new legislation. This is expected to be monitored via a Service Development Programme under the 2019/20 contract.

The final CQUIN settlement figure for 2017/18 achieved 97 per cent of total; the final figure received was £5.986M against a target of £6.160M. 2018/19 is estimated at £6.81M and we are anticipating achieving 88 per cent.

### CQUINs 2018/19

The achievement to date of CQUINs for 2018/19 has been rated as an estimated performance indicator, as many of the schemes are in their last wave of delivery. This is reflected in the RAG rating in the table below whether a part payment or no payment is either expected or has been awarded.

#### Acute and community 2018/19

Goal No.	CQUIN targets and topics	Quality domains	RAG
1	NHS staff health and wellbeing	Effectiveness	Partially Achieved
2	Timely identification and treatment of sepsis, and antimicrobial resistance	Safety, Effectiveness	Partially Achieved
4	Improving services for people with mental health needs who present to A&E	Safety, Effectiveness	Partially Achieved
6	Advice and guidance	Effectiveness	Partially Achieved
7	Preventing ill health by risky behaviours – alcohol and tobacco screening, advice and referral	Effectiveness	Partially Achieved

#### NHS England Specialised Services, Public Health & Dental 2018/19

Goal No.	CQUIN targets and topics	Quality domains	RAG
1	AAA screening – improving access and uptake	Effectiveness	Achieved
2	DERMS	Effectiveness	Achieved
GE3	Hospital medicines optimisation	Effectiveness	Achieved
WC5	Neonatal community outreach	Safety, Effectiveness	Achieved

#### Coronary Care Unit

*"They kept me informed throughout and treated me with such compassion, dignity and professionalism. Although it was a frightening experience, I felt completely safe and very well cared for."*

- Achieved
- Partially Achieved
- Not Achieved



## CQUINs 2019/20

The values and indicators for 2019/2020 are worth 1.25 per cent of our activity outturn approximately £3.8M.

## Acute Schemes (5 selected) 2019/20

Goal No.	CQUIN targets and topics	Quality domains
1	Antimicrobial resistance	Safety/Effectiveness
2	Staff flu	Safety/Effectiveness
3	Alcohol & tobacco	Effectiveness
4	Three high impact actions to prevent falls	Safety/Effectiveness
5	Same day emergency care	Safety/Effectiveness

## NHS England specialised services, Public Health & Dental 2019/20

Goal No.	CQUIN targets and topics	Quality domains
1	Secondary dental care	Effectiveness
2	Medicine optimisation	Effectiveness



### Day Surgery Unit

*We are one of the best performing trusts for managing surgical patients as a day case procedure.*

**Source: Healthcare Evaluation Data**

# Care Quality Commission (CQC) registration and reviews

The Dudley Group NHS Foundation Trust is required to register with the Care Quality Commission (CQC) and its current registration status is registered without conditions.

The Trust was inspected in December 2017/January 2018 and the report published in April 2018, the result of which was an overall rating of 'Requires Improvement'. In arriving at this overall assessment the CQC assessed 44 elements within five areas (see charts over the page). Of the 44 elements, 27 were rated as 'Good' which meant that in the service rating for medical care, maternity and community services the Trust was in fact rated as 'Good'. The CQC also reconfirmed the 'Good' ratings for surgery, outpatients and end of life although these were not subject to a detailed inspection at that time.

For the service areas where the Trust was rated as 'Inadequate' or 'Requires improvement', a detailed action plan was put in place. The monitoring of the delivery of this improvement plan was reported to the board and the Clinical Quality, Safety and Patient Experience Committee as well as providing formal feedback to the CQC itself.

The CQC has taken enforcement action against the Trust during this year. This took the form of serving four Section 31 notices but none placed any restrictions on the Trust's licence. It required the Trust to send enhanced assurance over aspects of urgent and emergency services which the Trust has done on a weekly basis and therefore the Trust is compliant with the registration requirements of the CQC.

The Trust has not participated in any special reviews or investigations by the CQC during the reporting period.

The Trust is being inspected at present by the CQC and will include the results of that inspection prior to the final version of this report when they become available.

Both a summary and full report of the December 2017/January 2018 inspection are available at [www.cqc.org.uk/provider/RNA](http://www.cqc.org.uk/provider/RNA).

## Ward C3

*Has dedicated areas for patients living with Parkinson's disease and dementia. It is staffed by experienced clinicians who are experts in these conditions, and allows us to provide individualised, holistic care to these specialised groups of people.*

## Ratings for the whole Trust

Safe	Effective	Caring	Responsive	Well-led	Overall
Requires improvement ↔↔ Apr 2018	Requires improvement ↓ Apr 2018	Good ↔↔ Apr 2018	Requires improvement ↔↔ Apr 2018	Requires improvement ↓ Apr 2018	Requires improvement ↔↔ Apr 2018

The rating for well-led is based on our inspection at Trust level, taking into account what we found in individual services. Ratings for other key questions are from combining ratings for services and using our professional judgement.

## Ratings for Russells Hall Hospital

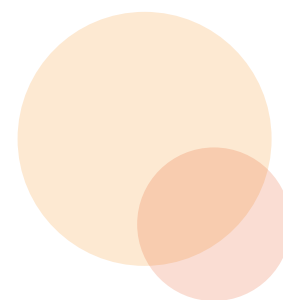
	Safe	Effective	Caring	Responsive	Well-led	Overall
<b>Urgent and emergency services</b>	Inadequate ↓↓ Apr 2018	Requires improvement Apr 2018	Requires improvement ↓ Apr 2018	Requires improvement ↔↔ Apr 2018	Inadequate ↓↓ Apr 2018	Inadequate ↓↓ Apr 2018
<b>Medical care (including older people's care)</b>	Good ↔↔ Apr 2018	Good ↔↔ Apr 2018	Good ↔↔ Apr 2018	Good ↔↔ Apr 2018	Good ↔↔ Apr 2018	Good ↔↔ Apr 2018
<b>Surgery</b>	Good Mar 2014	Good Mar 2014	Good Mar 2014	Good Mar 2014	Good Mar 2014	Good Mar 2014
<b>Critical care</b>	Requires improvement ↔↔ Apr 2018	Requires improvement ↓ Apr 2018	Good ↔↔ Apr 2018	Requires improvement ↔↔ Apr 2018	Requires improvement ↓ Apr 2018	Requires improvement ↔↔ Apr 2018
<b>Maternity</b>	Good Apr 2018	Requires improvement Apr 2018	Good Apr 2018	Good Apr 2018	Good Apr 2018	Good Apr 2018
<b>Services for children and young people</b>	Requires improvement ↓ Apr 2018	Requires improvement ↓ Apr 2018	Good ↔↔ Apr 2018	Requires improvement ↓ Apr 2018	Requires improvement ↓ Apr 2018	Requires improvement ↓ Apr 2018
<b>End of life care</b>	Requires improvement Mar 2014	Good Mar 2014	Good Mar 2014	Good Mar 2014	Good Mar 2014	Good Mar 2014
<b>Outpatients</b>	Good Mar 2014	N/A	Good Mar 2014	Requires improvement Mar 2014	Good Mar 2014	Good Mar 2014
<b>Overall*</b>	Requires improvement ↔↔ Apr 2018	Requires improvement ↓ Apr 2018	Good ↔↔ Apr 2018	Requires improvement ↔↔ Apr 2018	Requires improvement ↔↔ Apr 2018	Requires improvement ↔↔ Apr 2018

\*Overall ratings for this hospital are from combining ratings for services. Our decisions on overall ratings take into account the relative size of services. We use our professional judgement to reach fair and balanced ratings.

## Ratings for community health services

<b>Community health services for adults</b>	Good Apr 2018	Good Apr 2018	Good Apr 2018	Requires improvement Apr 2018	Good Apr 2018	Good Apr 2018
<b>Overall</b>	Good Apr 2018	Good Apr 2018	Good Apr 2018	Requires improvement Apr 2018	Good Apr 2018	Good Apr 2018

# Quality of data



The Trust submitted records during 2018/19 to the Secondary Uses Service (SUS) for inclusion in the Hospital Episode Statistics (HES) latest published data.

## The percentage of records in the published data which included the patient's valid NHS number

	The Dudley Group	National average
Admitted patient care	99.9%	99.4%
Outpatient care	99.9%	99.6%
Accident and emergency care	99.6%	97.5%

## The percentage of records in the published data which included the patient's valid General Medical Practice Code

	The Dudley Group	National average
Admitted patient care	100%	99.9%
Outpatient care	100%	99.8%
Accident and emergency care	100%	99.3%

All above figures are for April 2018 to February 2019.

The Trust's Information Governance Assessment Report is not available. From April 2018 the new Data Security and Protection Toolkit (DSP Toolkit), the Trust's Information Governance Assessment Report, replaced the Information Governance Toolkit (IG Toolkit). It forms part of a new framework for assuring that organisations are implementing the 10 data security standards and meeting their statutory obligations on data protection and data security. For the DSP Toolkit, the Trust this year submitted a 'Standards Met' publication and action plan, with approval from NHS Digital. The new General Data Protection Regulation (GDPR) came into effect this year. It introduces a duty on all organisations to report certain types of personal data breach to the relevant

supervisory authority. The Security of Network and Information Systems Directive ("NIS Directive") also requires reporting of relevant incidents to the Department of Health and Social Care (DHSC). The Trust has not had to report a breach of personal data to the National Regulatory Authority during 2018/19. The Trust was not subject to the Payment by Results clinical coding audit during the reporting period.

The Trust will be taking the following action to improve data quality:

- The Trust continually monitors data quality externally via Secondary Uses Service (SUS) reporting and University Hospitals Birmingham Hospital Evaluation Data tool (HED).

# Learning from deaths

1. During 2018/19, 1,660 of the Trust's patients died. This comprised the following number of deaths that occurred in each quarter of that reporting period: 401 in the first quarter; 375 in the second quarter; 412 in the third quarter; 472 in the fourth quarter.

2. By 31st March 2019, 1,265 case record reviews and 137 investigations have been carried out in relation to 1,660 of deaths included above.

In 119 of cases, a death was subjected to both a case record review and an investigation. The number of deaths in each quarter for which a case record review or an investigation was carried out was: 351 in the first quarter; 313 in the second quarter; 331 in the third quarter; 270 in the fourth quarter.

3. Five, representing 0.30 per cent of the patient deaths during the reporting period, are judged to be more likely than not to have been due to problems in the care provided to the patient.

In relation to each quarter, this consisted of: 0 representing 0 per cent for the first quarter; 4 representing 1.07 per cent for the second quarter; 1 representing 0.24 per cent for the third quarter; 0 representing 0 per cent for the fourth quarter.

These numbers have been estimated using

a) the Trust's mortality review process which includes an initial (Level 1) peer review of all deaths by the department concerned using a standard questionnaire. This may lead to a Level 2 review performed by a mortality panel using a structured case note review data collection as recommended by the National Mortality Case Record Review Programme,

b) Coroner Rule 28 cases when making recommendations about future care and

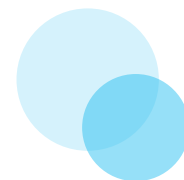
c) root cause analysis reports following investigations if a death is reported as a serious incident if that is clinically appropriate (e.g. death potentially avoidable).

## 4. A summary of what the provider has learnt from case record reviews and investigations conducted in relation to the deaths identified above

The Trust has identified the following learning:

- The sepsis mortality reviews had shown the need for improved coding as some patients deemed to have sepsis did in fact have heart failure or were deteriorating from irreversible medical problems other than sepsis.
- There is a need to focus efforts on the recognition and management of the deteriorating patient in the context of sepsis but also in the context of other medical conditions for which sepsis screening parameters might flag e.g. heart failure.
- Mortality tracker information with regards to end of life care is demonstrating achievement of clinical indicators and embedding Priorities for Care of the Dying Person communication document is being pursued with divisions
- Need to highlight appropriate care in end of life management over the period when death is imminent.
- Earlier intervention in care home care could have prevented admission.
- Need for clear documentation of all results and investigations when patients admitted/ transferred to ensure appropriate prompt management and communication of escalation plans.





- Patients presenting at the end of life to ED may be more appropriately transferred out of the department more promptly to allow more privacy and dignity for patients and families.
- Some patients presenting at the end of life at ED have been admitted within previous few weeks. Hence:
  - Need for recognition of dying patients on discharge and communication of expected further deterioration
  - Need for liaison with ambulance staff
  - Potential for need to ensure clearer planning at discharge for some cases
  - Need for increased collaboration with community colleagues

**5. A description of the actions which the provider has taken in the reporting period, and proposes to take following the reporting period, in consequence of what the provider has learnt during the reporting period.**

From the cases reviewed, the Trust has taken a number of actions.

- Developed a general pathway for the deteriorating patient. This was presented to the senior consultant body and discussions have occurred with the electronic patient record developers to embed this in the electronic patient record.
- Use of electronic observations and automatic calculation of the NEWS score to provide increased focus on patients who are at risk of deterioration and provide appropriate end of life to patients who are expected to deteriorate.
- Ongoing engagement regarding awareness and recognition of sepsis including human factors training and a recent sepsis debate.
- Work is planned to explore the deaths occurring in community from sepsis post discharge.

- Implementation of the Gold Standards Framework ongoing.
- Work with CCG to ensure deaths within 48 hours of admission to hospital have shared learning to primary care, CCG, community teams and care homes.
- A review of the provision of bereavement services available for families and staff.
- The Trust end of life working group is reviewing policies, education and governance.
- An E-Pal e-learning based around priorities for care was implemented 1st October. Nurses need to follow NMC and Doctors GMC guidance as an initial approach.

A series of actions have already been completed in the Emergency Care pathways to improve care:

- Introduction of revised Triage process and audit with the support of the Emergency Care Intensive Support Team (ECIST) colleagues
- Introduction of eObs and training for eSepsis.
- Additional staffing support including extended hours of consultant cover.
- Seven sessions of human factors training delivered.
- Ongoing sepsis training.
- Patient safety survey completed.
- Support from a range of external bodies including ECIST, NHS Improvement and the Advancing Quality Alliance.
- Introduction of new tracker of tablets for medical registrars to facilitate handover to Acute Medicine.
- Introduction of increased staffing in AMU and the placement of Medical Training Initiative doctors in the department.
- Expansion of Nerve Centre to manage acutely unwell patients out of hours and the implementation of e-Handover and a hospital at night team.

**6. An assessment of the impact of the actions described above which were taken by the provider during the reporting period.**

- Reduction in sepsis mortality.
  - Increased compliance with national assessment and treatment targets for patients with sepsis.
  - Decreased number of serious incidents.
  - A positive external assessment of end of life care
7. 529 case record reviews and 18 investigations completed after 30th March 2018 which related to deaths which took place before the start of the reporting period.
8. Three representing 0.17 per cent of the patient deaths before the reporting period, are judged to be more likely than not to have been due to problems in the care provided to the patient.

These numbers have been estimated using

- a) The Trust's mortality review process which includes an initial (Level 1) peer review of all deaths by the department concerned using a standard questionnaire. This may lead to a Level 2 review performed by a mortality panel using a structured case note review data collection as recommended by the National Mortality Case Record Review Programme,
  - b) Coroner Rule 28 cases when making recommendations about future care and
  - c) root cause analysis reports following investigations if a death is reported as a serious incident if that is clinically appropriate (e.g. death potentially avoidable).
9. 18 representing 1 per cent of the patient deaths during 2017/18 are judged to be more likely than not to have been due to problems in the care provided to the patient.



# Core set of mandatory indicators

All trusts are required to include comparative information and data on a core set of nationally-used indicators. The tables include the two most recent sets of nationally-published comparative data as well as, where available, more up-to-date Trust figures. It should be appreciated that some of the

'Highest' and 'Lowest' performing trusts may not be directly comparable to an acute general hospital, for example, specialist eye or orthopaedic hospitals have very specific patient groups and so generally do not include emergency patients or those with multiple long-term conditions.

Mortality				
Topic and detailed indicators	Immediate reporting period: Jan 2018 – Dec 2018		Previous reporting period: Oct 2017 – Sep 2018	
Summary Hospital-level Mortality Indicator (SHMI) value and banding	<b>Value</b>		<b>Value</b>	<p>The Trust considers that this data is as described for the following reasons:</p> <ul style="list-style-type: none"> <li>it has noted that the SHMI value is in the expected range but has increased. This is due to the change in recording of the assessment of patients admitted via Ambulatory Emergency Care.</li> </ul> <p>The Trust has taken the following action to improve this indicator and so the quality of its services by:</p> <ul style="list-style-type: none"> <li>continuing to improve case note reviews of deaths in hospital.</li> </ul>
	Trust	1.15%	Trust	
	National average	1	National average	
	Highest	1.1203%	Highest	
	Lowest	0.8926%	Lowest	
	<b>Banding</b>		<b>Banding</b>	
	Trust	1	Trust	
	National average	2	National average	
Percentage of patient deaths with palliative care coded at either diagnosis or specialty level (Context indicator Latest Oct 17 to Sep 18)	Trust	24.1%	Trust	<p>The Trust considers that this data is as described for the following reasons:</p> <ul style="list-style-type: none"> <li>there remains a very robust system in place to check accuracy of palliative care coding. The data field has been added to the Trust mortality tracker.</li> </ul> <p>The Trust has taken the following actions to improve this percentage, and so the quality of its services:</p> <ul style="list-style-type: none"> <li>ensuring this percentage will always be accurate and reflect actual palliative care.</li> </ul>
	National average	33.6%	National average	
	Highest	59.5%	Highest	
	Lowest	14.3%	Lowest	

## Patient Reported Outcome Measures (PROMS)

Topic and detailed indicators	Immediate reporting period: 2017/18 provisional	Previous reporting period: 2016/17 Final	Statements
<b>Groin Hernia Surgery</b>	<i>Groin hernia national PROM collections ended on 1 October 2017</i>	Trust 0.04% National average 0.09% Highest 0.14% Lowest 0.01%	<p>The Trust considers that this data is as described for the following reasons:</p> <ul style="list-style-type: none"> <li>• using feedback data (from NHS Digital) we are very pleased with the outcomes that patient report. Patients who said that their problems are better now when compared to before their operation: hip replacement: 97% (national = 95%).</li> <li>• patients that described the results of their operation as good, very good or excellent: knee replacement: 84% (national = 86%).</li> </ul>
<b>Varicose Vein Surgery</b>	<i>Varicose vein surgery national PROM collections ended on 1 October 2017</i>	Trust 0.13% National average 0.09% Highest 0.15% Lowest 0.01%	
<b>Hip Replacement Surgery</b>	Trust 0.49% National average 0.46% Highest 0.58% Lowest 0.37%	Trust 0.45% National average 0.44% Highest 0.54% Lowest 0.31%	
<b>Knee Replacement Surgery</b>	Trust 0.32% National average 0.34% Highest 0.42% Lowest 0.22%	Trust 0.32% National average 0.32% Highest 0.40% Lowest 0.24%	<p>The Trust has taken the following actions to improve these scores, and so the quality of its services, by:</p> <ul style="list-style-type: none"> <li>• ensuring the Trust regularly monitors and audits the pre and postoperative healthcare of all patients. Surgical operative outcomes are consistently of high quality and safety, with excellent patient satisfaction for these procedures.</li> </ul>



### Frailty Assessment Unit

*We provide a comprehensive elderly assessment for all our patients in this unit. It promotes seamless, continuous care between hospital and the community, improving quality and safety for this group of vulnerable people.*

## Readmissions

Topic and detailed indicators	Immediate reporting period: 2011/12		Previous reporting period: 2010/11		Statements
% readmitted within 28 days Aged 0-15	Trust	9.09%	Trust	9.34%	<p>The Trust considers that this data is as described for the following reasons:</p> <ul style="list-style-type: none"> <li>since the only national published figures (see across) are historical, we have looked at our latest locally available (pre-published) data. (Aged 16 and over: 2012/13 10.2%, 2013/14 9.9%, 2014/15 7.69%, 2015/16 8.02%, 2016/17 8.43%, 2017/18 8.82%, 2018/19 ytd**. 8.06%); (Age 0-15: 2012/13 10.3%, 2013/14 9.7% 2014/15 10.05%, 2015/16 10.21%, 2016/17 10.85%, 2017/18 7.14%, 2018/19 ytd** 7.05%) <p>The Trust intends to take the following actions to improve these percentages, and so the quality of its services:</p> <ul style="list-style-type: none"> <li>Adults: continue to review and develop our ambulatory care facilities in medicine and surgery and review clinical pathways and outpatient rapid access, ensuring there is more effective senior decision making by increased consultant cover.</li> <li>Children: review our assessment processes for those that require a specialist paediatric assessment by more senior effective decision making with increased consultant cover, work with commissioners to develop services for those patients requiring ongoing CAMHS support, and embed a community paediatric service.</li> </ul> </li></ul>
% readmitted within 28 days Aged 16 and over	National average	10.15%	National average	10.15%	
	Highest	NA*	Highest	NA*	
	Lowest	NA*	Lowest	NA*	
	Trust	11.62%	Trust	11.55%	
	National average	11.45%	National average	11.42%	
	Highest	NA*	Highest	NA*	
	Lowest	NA*	Lowest	NA*	

### Maternity

*"I would like to say a big thanks to everyone who played a part in making a miracle come true. I couldn't have asked for better midwives and care."*

\*comparative figures not available. \*\*2018/19 year to date = April 2018 to January 2019



## Responsiveness to inpatients' personal needs

Topic and detailed indicators	Immediate reporting period: 2017/18		Previous reporting period: 2016/17		Statements
<b>Average score from a selection of questions from the National Inpatient Survey measuring patient experience (Score out of 100)</b>	Trust	64.8%	Trust	61.8%	<p>The Trust considers that this data is as described for the following reasons:</p> <ul style="list-style-type: none"> <li>the Trust is disappointed that this indicator remains lower than the national average.</li> </ul> <p>The Trust intends to take the following actions to improve this score, and so the quality of its services:</p> <ul style="list-style-type: none"> <li>to continue to focus on responding to the feedback from our patients, families and carers with sustained quality improvement actions.</li> </ul>
	National average	68.6%	National average	68.1%	
	Highest	85.0%	Highest	85.2%	
	Lowest	60.5%	Lowest	60.0%	

## Staff views

Topic and detailed indicators	Immediate reporting period: 2018		Previous reporting period: 2017		Statements
<b>Percentage of staff who would recommend the Trust to friends or family needing care</b> (Comparison is with all combined acute and community trusts)	Trust	56%	Trust	70%	<p>The Trust considers that this data is as described for the following reasons:</p> <ul style="list-style-type: none"> <li>the Trust is disappointed there has been a decrease in the percentage of staff who would recommend the Trust as a place to receive treatment.</li> </ul> <p>The Trust intends to take/has taken the following actions to improve this percentage, and so the quality of its services by:</p> <ul style="list-style-type: none"> <li>multidisciplinary groups focusing on action planning for improvements.</li> <li>communicating with and supporting managers to understand their data broken down by division and area and take actions where necessary.</li> <li>involving and communicating with staff through our 'Make it Happen' initiative.</li> </ul>
	National average	69.9%	National average	68%	
	Highest	90.3%	Highest	89%	
	Lowest	49.2%	Lowest	48%	



## Venous Thromboembolism (VTE)

Topic and detailed indicators	Immediate reporting period: Q3 Oct – Dec 2018	Previous reporting period: Q2 Jul – Sep 2018	Statements
Percentage of admitted patients risk-assessed for Venous Thromboembolism	Trust 94.71% National average 95.65% Highest 100% Lowest 54.86%	Trust 94.94% National average 95.49% Highest 100% Lowest 74.32%	<p>The Trust considers that this data is as described for the following reasons:</p> <ul style="list-style-type: none"> <li>the Trust is pleased to note that it is near the national average in undertaking these risk assessments.</li> </ul> <p>The Trust intends to take the following actions to improve this percentage, and so the quality of its services by:</p> <ul style="list-style-type: none"> <li>continuing the educational sessions with each junior doctor intake,</li> <li>continuing with a variety of promotional activities to staff and patients.</li> </ul>

## Infection Control

Topic and detailed indicators	Immediate reporting period: 2017/18	Previous reporting period: 2016/17	Statements
Rate of Clostridium difficile per 100,000 bed days amongst patients aged 2 or over	Trust 12.6% National average 13.7% Highest 91% Lowest 0%	Trust 13.5% National average 13.2% Highest 82.7% Lowest 0%	<p>The Trust considers that this data is as described for the following reasons:</p> <ul style="list-style-type: none"> <li>the rate has improved again over last year's figures with the Trust now reporting fewer cases than the average across the NHS. This is especially pleasing in a climate where nationally numbers of cases are increasing.</li> </ul> <p>The Trust intends to take/has taken the following actions to improve this rate, and so the quality of its services:</p> <ul style="list-style-type: none"> <li>the process for reviewing C. diff cases is changing this year in line with the new national framework. The apportionment assessment will require review and the trajectory is changing as cases will be apportioned to acute trusts a day earlier than in previous years. The well-functioning antimicrobial guidelines continue to be updated to reflect national objectives including reductions in carbapenem usage and increased prescribing from within the access list of antibiotics which the Trust is achieving. Treatment protocols continue to be updated to ensure they reflect evidence-based practice.</li> </ul>

## Clinical incidents

Topic and detailed indicators	Immediate reporting period: Apr 2018 – Sep 2018	Previous reporting period: Oct 2017 – Mar 2018	Statements
<b>Rate of patient safety incidents (incidents reported per 1000 bed days)</b> (Comparison is with 136 acute non-specialist trusts)	Trust 47.3% (number 5451) National average 44.5% Highest 107.4% Lowest 13.1%	Trust 48.69% (number 5842) National average 42.55% Highest 124% Lowest 24.19%	The Trust considers that this data is as described for the following reasons: <ul style="list-style-type: none"> <li>as organisations that report more incidents usually have a better and more effective safety culture, the Trust notes it has improved the average reporting rate and its severe incidents is in line with the national average.</li> </ul>
<b>Percentage of patient safety incidents resulting in severe harm or death</b>	Trust 0.0% (number 2) National average 0.1%	Trust 0.2% (number 14) National average 0.3%	The Trust has taken the following actions to improve this rate and the numbers and percentages, and so the quality of its services: <ul style="list-style-type: none"> <li>the Patient Safety Advisors work with the divisions to identify areas where they can improve on the reporting of incidents.</li> <li>investment has continued across the year on training staff on incident investigations to enable them to focus on the root cause of the incident and, therefore, develop better action plans.</li> </ul>

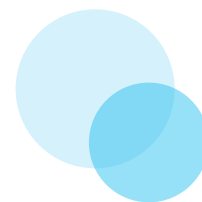
In addition to the above indicators, NHS England has requested that the Trust includes the latest results of the two following questions that are asked as part of the National Staff Survey:

### Staff Survey Results 2018

<b>Percentage of staff experiencing harassment, bullying or abuse from staff in the last 12 months</b>	Trust 19.8% National average 18.4%
<b>Percentage of staff believing that Trust provides equal opportunities for career progression or promotion</b>	Trust 83% National average 85.5%



# Seven day hospital services



Delivering services 24/7 is a key part of the Trust's strategic goal to drive service improvement, innovation and transformation and the key national standards have been incorporated into current service delivery and wider strategic plans. Improving the time and frequency in which patients are seen by a consultant is incorporated into professional standards and monitored by the use of a daily ward round checklist and a programme of quality and safety reviews led by the chief nurse and medical director.

Along with regional partners as part of the Black Country Alliance, the provision of seven day interventional radiology services has been piloted and will be extended. Working together with these partners will make the provision of safe and effective seven day services more achievable. The Trust complies with two of the four priority standards. A clinical strategy has been developed to drive ongoing service development to reach full compliance by March 2020.

## Raising concerns

The Trust recognises that staff being able to raise concerns about any aspect of their experience of work is vital if the organisation is to learn and move forward. Individuals may be worried to speak up about quality of care, patient safety or bullying and harassment but the Trust actively encourages staff to raise such concerns. It welcomes concerns being raised no matter how big or small and is focused on the benefits from voicing concerns as a way to learn, make changes and improve the working place for our staff and ensure the safety of our patients and visitors.

In many circumstances the easiest way to get a concern resolved will be to raise it formally or informally with a staff member's line manager (or lead clinician or tutor). However, when staff do not think this is appropriate or the line manager does not resolve matters staff have a number of options open to them to seek support.

The two key contacts are our two Freedom to Speak Up (FTSU) Guardians who are promoted across the Trust. They are now supported by our newly appointed Freedom to Speak Up Champions, who are locally based staff within allocated areas of the hospital and community. The risk and standards team are also available as

are the executive and non-executive leads for FTSU. The Trust has a specific medical consultant, whom junior doctors can approach with issues around their working hours. All of these people have been trained in receiving concerns and will give staff information about where they can go for more support. The Trust guidelines contain a list of external bodies staff can contact. Every effort is made to ensure staff do not suffer detriment when raising the concern and the Guardians are always available to support staff who perceive that this is a possibility in their case.

As well as guidelines on raising concerns, the Trust has a host of information on its internal website and a strategy on improving communication and processes to support staff in a fair and transparent manner. It sends the required data on cases that come forward to the National Guardian Office and this year had a well-received visit by the National FTSU Guardian, Dr Henrietta Hughes.

All staff who contact the FTSU guardians and champions are kept fully informed of the investigation undertaken and outcome, and feedback is encouraged. The quarterly reports to the Trust Board are made publically available on the Trust website.

# Junior doctor rota gaps and the plan for improvement to reduce these gaps

In 2016 a new set of contractual rules were introduced to ensure rotas are designed and managed in a way that allows doctors to meet their training needs, avoid fatigue and overwork and maintain work-life balance, while allowing employers to deliver the

service. These were reviewed and updated in 2018. Rota gaps, long-term staff vacancies and intensifying workload continue to be major issues across the NHS. At the Trust, the following gaps have occurred this year:

Rota Gaps				
Speciality	April – July 2018		August – December 2018	
	Registrars	Juniors	Registrars	Juniors
Medicine	11	24	17	8
Surgery	4	4	1	5
Clinical Services	0	0	1	0
Total	15	28	19	13

The Trust has taken and intends to take a number of actions to minimise these gaps. These include:

- a medical training initiative (MTI) - a two year training programme now in place which helps to cover ongoing vacancies at registrar and SHO level,
- increased physician associate roles in a number of areas to support SHO level activity,
- a stand at the annual general medicine conference when this year we were successful in appointing to both consultant and registrar posts,

- initial talks with agencies to assess the cost effectiveness of giving them an increasing role in recruitment to offset our own advertisement costs, and
- increasing our internal bank coverage so that, for example, when junior staff leave due to their rotation elsewhere, for instance to undertake research, we are arranging for those staff to remain on our internal staff bank.

## Gastrointestinal (GI) Unit

*Our GI unit (endoscopy) is JAG (Joint Advisory Group) accredited. This is awarded to high quality endoscopy services that focus on patient care.*



# Other quality information

## Introduction

The Trust has a number of Key Performance Indicator (KPI) reports which are used by a variety of staff groups to monitor quality on a day-to-day basis. The main repository for the reporting of the Trust's key performance measures is a web based dashboard, which is available to all senior managers and clinicians. This currently contains over 130 measures, grouped under the headings of Quality, Performance, Workforce and Finance.

In addition, continual monitoring of a variety of aspects of quality of care includes weekly reports sent to senior managers and clinicians which include the Emergency Department, Referral to Treatment and stroke and cancer targets. Monthly reports which include a breakdown of performance by ward based on Quality Care Indicators, ward utilisation, adverse incidents, governance and workforce indicators, and patient experience scores, are also sent to all wards. In becoming more transparent, each ward now displays its quality comparative data on a large information board for staff, patients and their visitors.

We compare ourselves against other trusts, and use Healthcare Evaluation Data (HED) – a leading UK provider of comparative healthcare information – as a business intelligence monitoring tool.

To ensure quality improvement, the Trust has multiple organisation-wide frameworks from which it shares learning from patient feedback, clinical reviews and incidents. These include:

- **Quarterly Learning Report:**

A quarterly learning report is produced outlining learning that has occurred across the organisation from all sources; incidents, complaints and reviews. This is presented to the directors and uploaded to the Trust intranet for all staff and shared with Dudley Clinical Commissioning Group.

- **Incident Reporting Database:**

Every incident that occurs is reported in a central database which is designed to capture changes in practice, learning and good practice to share across the organisation. This data is included in the quarterly learning report and cascaded through divisional meetings.

- **Intranet Learning Page:**

The Trust has a designated intranet page to which all staff have access.

- **Patient Safety and Experience Bulletin:**

This commenced in 2017 and consists of a weekly email sent to all staff on a wide range of topical subjects that have arisen from local incidents and national initiatives. Examples of issues covered include diabetes care, malnutrition in hospital and correct usage of oxygen cylinders.

The following three sections of this report provide an overview, with both statistics and examples, of the quality of care at the Trust, using the three elements of quality as outlined in the initial chief executive's statement:

## Patient Experience

Does the Trust provide a clean, friendly environment in which patients are satisfied with the personal care and treatment they receive?

## Patient Safety

Are patients safe in our hands?

## Clinical Effectiveness

Do patients receive a good standard of clinical care?

The final section includes indicators and performance thresholds set out by NHS Improvement, the Trust regulator, in its Risk Assessment Framework.

# Patient Experience

Does the Trust provide a clean, friendly environment in which patients are satisfied with the personal care and treatment they receive?

## Introduction

The Trust actively encourages feedback to help us ensure we meet the needs and expectations of our patients, their families and carers, our staff and our stakeholders. As a foundation trust we are legally obliged to take into consideration the views of our members as expressed through our Council of Governors.

## Trust-wide initiatives

We gather feedback in a number of ways, some of which are described in other parts of this report (e.g. complaints, concerns, compliments, quality and safety reviews) and some in more detail below:

- Real-time surveys (face-to-face surveys)
- Patient stories
- The Friends and Family Test (FFT)
- NHS Choices and Patient Opinion online reviews
- National surveys including the National Inpatient Survey
- Listening events and focus groups

### Real-time surveys

During the year 1,653 inpatients participated in our real-time surveys. These surveys complement the Friends and Family Test and the results are reported in a combined report to wards and specialties, allowing them to use valuable feedback from patients in a timely manner. The data from these surveys also allows us to react quickly to any issues and to use patient views in our service improvement planning.

### Patient stories

The continued use of patient and staff stories at the Board of Directors meetings during the year enables the patient voice to be heard at

the highest level. These stories are circulated to senior managers and shared with frontline staff and used for service development planning and training purposes.



During the year, **social media** usage has expanded to a point where the Trust now has 3,632 Twitter followers and accumulated 2,704 likes.



The Dudley Group Facebook page has accumulated 6,325 'likes' to date and 6,506 Facebook followers.

Below are some examples of the quantity of feedback we received during 2018/19 and more detailed information about some of the methods. These methods alone highlight more than 72,244 opportunities for us to listen to our patients' views.

Method	Total
FFT – Inpatient (inc. daycase)	25436
FFT – Emergency department	9205
FFT – Maternity	4569
FFT – Community	7042
FFT – Outpatients	20286
Community patient survey	446
Real-time surveys (inpatient 1511, AMU 102, maternity 40)	1653
NHS Choices/Patient Opinion	156
National surveys Maternity 2017	100
National surveys Adult Inpatient 2017	448
Other local/department surveys	221
Inpatient food surveys	2957
Discharge surveys	121
Bereavement surveys	222

## Listening events and focus groups

The Trust has continued to support a growing number of listening events and focus groups hosted by departments and teams across the organisation. This enables the individual areas to use triangulated performance and feedback information to raise awareness with a focused group of patient, their carers and families. The feedback from these events and the suggestions for improvement are used to develop action plans that provide a continual improvement approach to the patient experience.

During 2018/19 the Trust has hosted events with the following departments and teams: maternity, stroke, dementia, maternity bereavement, podiatry, trauma and orthopaedics, breast care and children's services.

## Friends and Family Test (FFT)

The Friends and Family test asks patients to answer a simple question 'How likely are you

to recommend (the particular service or department) to friends and family if they needed similar care or treatment?' with answers ranging from extremely likely to extremely unlikely. This is followed up with a question asking 'Please tell us why you gave that response'. The results are published on the national NHS England website. The scores, which are updated monthly, are displayed on our website and prominently in our wards/departments for all patients, staff and visitors to see.

We monitor our performance compared to that of our neighbours in the Black Country. The table below shows our FFT scores for the year which indicates our performance together with that of local trusts. Where organisations have collected fewer than five responses, the figures are not published.

(NP = not published N/A = not applicable

\* = no national data available)

Inpatients FFT	Apr 18	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19
Sandwell & West Birmingham	89%	92%	92%	95%	96%	90%	93%	92%	92%	91%	92%	91%
Dudley Group	95%	94%	94%	94%	94%	93%	94%	94%	93%	95%	95%	94%
Royal Wolverhampton	91%	91%	91%	93%	92%	94%	94%	94%	91%	92%	92%	95%
Walsall	96%	95%	97%	94%	95%	96%	95%	96%	96%	96%	97%	95%
Worcester Acute	96%	94%	94%	94%	94%	93%	93%	95%	95%	94%	95%	95%
National Average	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%
A&E FFT												
Sandwell & West Birmingham	77%	73%	76%	73%	76%	73%	71%	74%	73%	74%	92%	75%
Dudley Group	82%	78%	77%	76%	77%	76%	80%	77%	76%	76%	74%	72%
Royal Wolverhampton	83%	87%	86%	86%	87%	86%	88%	87%	87%	86%	86%	86%
Walsall	79%	76%	75%	73%	80%	74%	82%	74%	79%	80%	79%	78%
Worcester Acute	81%	80%	81%	74%	79%	81%	82%	84%	78%	82%	86%	84%
National Average	87%	87%	87%	87%	88%	86%	87%	87%	86%	86%	85%	86%

Maternity Antenatal FFT	Apr 18	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19
Sandwell & West Birmingham	NP	NP	NP	100%	88%	86%	94%	NP	NP	NP	NP	NP
Dudley Group	98%	98%	100%	98%	99%	95%	100%	97%	97%	100%	98%	98%
Royal Wolverhampton	NP	NP	NP	NP	NP	NP	NP	*	*	100%	*	*
Walsall	90%	91%	80%	100%	96%	94%	92%	82%	100%	87%	97%	100%
Worcester Acute	97%	95%	100%	97%	91%	95%	96%	98%	99%	99%	94%	99%
National Average	97%	95%	96%	95%	95%	95%	95%	95%	95%	96%	95%	95%
Maternity Birth FFT												
Sandwell & West Birmingham	88%	99%	88%	96%	90%	93%	100%	100%	100%	99%	100%	100%
Dudley Group	99%	98%	97%	100%	99%	97%	100%	96%	98%	94%	100%	99%
Royal Wolverhampton	100%	97%	98%	100%	100%	100%	93%	100%	100%	100%	100%	100%
Walsall	100%	90%	NP	97%	97%	97%	93%	92%	89%	93%	91%	94%
Worcester Acute	100%	100%	98%	99%	99%	100%	100%	100%	99%	100%	100%	100%
National Average	97%	97%	97%	97%	97%	100%	99%	97%	97%	97%	97%	97%
Maternity Postnatal Ward FFT												
Sandwell & West Birmingham	NP	88%	NP	86%	91%	NP	87%	93%	100%	NP	*	NP
Dudley Group	98%	96%	97%	99%	99%	96%	99%	94%	94%	94%	100%	98%
Royal Wolverhampton	100%	98%	88%	95%	96%	96%	100%	98%	100%	96%	99%	NP
Walsall	97%	91%	100%	100%	87%	91%	90%	95%	88%	96%	82%	92%
Worcester Acute	99%	98%	96%	100%	96%	96%	97%	99%	98%	99%	98%	98%
National Average	95%	95%	95%	95%	95%	94%	95%	95%	95%	95%	95%	95%
Maternity Postnatal Community FFT												
Sandwell & West Birmingham	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dudley Group	98%	100%	100%	98%	100%	97%	100%	100%	95%	100%	100%	100%
Royal Wolverhampton	NP	NP	NP	NP	NP	NP	NP	NP	98%	98%	96%	99%
Walsall	100%	94%	100%	100%	100%	95%	100%	97%	100%	95%	100%	*
Worcester Acute	100%	100%	NP	94%	NP	NP	100%	100%	100%	100%	100%	100%
National Average	*	98%	98%	98%	98%	98%	98%	98%	98%	98%	98%	98%

Community	Apr 18	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19
Sandwell & West Birmingham	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dudley Group	96%	96%	97%	96%	96%	93%	94%	94%	93%	93%	93%	93%
Royal Wolverhampton	89%	89%	92%	91%	88%	91%	90%	89%	90%	90%	93%	91%
Walsall	97%	98%	98%	99%	98%	98%	97%	97%	96%	98%	97%	97%
Worcester Acute	95%	96%	97%	98%	97%	98%	98%	98%	98%	98%	98%	98%
National Average	96%	95%	95%	95%	96%	95%	96%	96%	95%	96%	96%	94%

## Outpatients

Sandwell & West Birmingham	91%	90%	89%	90%	91%	90%	91%	90%	92%	90%	90%	91%
Dudley Group	90%	89%	91%	87%	91%	89%	90%	89%	90%	91%	90%	89%
Royal Wolverhampton	93%	93%	94%	94%	94%	95%	95%	95%	95%	95%	95%	95%
Walsall	92%	92%	91%	92%	91%	91%	92%	91%	92%	92%	92%	92%
Worcester Acute	92%	93%	91%	92%	91%	91%	92%	93%	92%	92%	93%	93%
National Average	94%	94%	94%	94%	94%	93%	94%	94%	94%	94%	94%	94%

## NHS Choices and Patient Opinion

Patients can give feedback about their experience of any of our services on the NHS Choices and Care Opinion websites. Patients can post comments anonymously or choose to give their name. All comments are responded to online.

In the year 2018/19, the Trust received 205 pieces of feedback via NHS Choices and Care Opinion. We actively encourage patients to

engage in this way and consistently attract more comments than neighbouring trusts. NHS Choices operates a star rating system where patients can also rate their experience from one to five stars. Not everyone chooses to award a star rating. The average star rating for each of the Trust sites was 4.0 stars. More than 68 per cent all comments received have been positive.

## Overall star ratings as per NHS Choices website as at 03 April 2019

### Location

Russells Hall Hospital

Corbett Outpatient Centre

Guest Outpatient Centre

The Dudley Group (no location specified)

### Overall star rating



4 stars based on 309 ratings



4 stars based on 36 ratings



4 stars based on 12 ratings



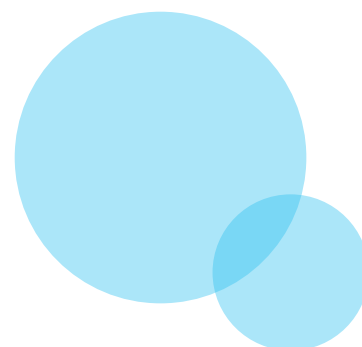
4 stars based on 22 ratings



# National survey results

In 2018/19, the Trust participated in the CQC national surveys programme with the following national patient surveys published during the period.

Participants for all national surveys are selected against the sampling guidance issued by the Care Quality Commission (CQC) for the months indicated in the table below:



Survey name	Survey sample month	Trust response rate	National average response rate
2017 Adult Inpatient	July 2017	39%	41%
2017 Cancer Patient Experience Survey	April – June 2017	62%	63%
2017 Women's Experiences of Maternity Services	February 2018	35%	37%

## What the results of the surveys told us

### Cancer Patient Experience Survey 2017

The National Cancer Patient Experience Survey 2017 was commissioned and managed by NHS England and is the seventh iteration of the survey. The Trust received a 62 per cent response rate compared to the national response rate of 63 per cent.

Scores were provided for questions that relate directly to patient experience. The Trust's performance was comparable to national results.

### Women's Experiences of Maternity Services 2018

The CQC published the results of the 2018 Women's Experiences of Maternity Services survey in January 2019. It sampled women who had given birth during February 2018. The Trust response rate was 35 per cent based on 100 women completing the survey. The national response rate was 37 per cent.

The total number of questions requiring subjective responses totalled 48. The Trust scored better compared to the previous survey for 16 questions, worse for 24, and about the same for eight.

Overall we were rated as 'about the same' as other trusts for the questions relating to labour and birth, staff and care in hospital after birth.

### Adult Inpatient Survey 2017

The results of the 2017 Adult Inpatient Survey were published on the CQC website on 13 June 2018 and overall show a slightly improving picture when compared to our previous year's performance.

The Trust is ranked 134 out of 148 Trusts (compared to 139 out of 149 trusts in 2016) based on the Overall Patient Experience Score (OPES). The OPES ranged from the lowest trust score in England of 7.5 to the highest trust score in England of 9.2.

The Trust response rate is 39 per cent compared to a national response rate of 41 per cent which sampled 1,250 patients discharged from hospital during July 2017. The Trust maintained 'about the same' in the majority of sections with notable exceptions of overall views of care and services.

## Acting on feedback received

We continue to use the feedback from national and local surveys to improve patient experience. Below are some examples of actions taken as a result of patient feedback in the year.

- Completed the replacement of outdated and unreliable car parking pay machines and car park equipment at each of the Trust sites. This has a significant impact on our patient experience.
  - Installed LED sky ceiling panels with a cloud and sky scene in five of our wards to help provide a relaxing and calming environment.
  - Purchased additional new digital reminiscence therapy software R.I.T.A. for areas across Russells Hall Hospital.
  - Introduced a fruit trolley that visits the wards and Trust HQ at the Russells Hall Hospital site to support the promotion of healthy eating.
  - Increased the ways that patients can provide feedback with the launch of an online and paper survey for patients receiving care from the specialist palliative care team to ensure their needs are being met. Access the survey here <https://survey.dgft.nhs.uk>
  - Made improvements to the C4 oncology day case waiting area with the installation of a digital fish tank and subscriptions to a variety of magazines.
  - Finalised the installation of a vending machine in the ophthalmology waiting area.
  - Installed TVs for each bed space in the children's ward.
  - Implemented a breakfast trolley within the Emergency Department.
  - Funded additional staffing resource to enable faster access for cancer patients for diagnostic tests and results.
  - Launched a poster campaign to promote cancer clinical nurse specialists for the site
- specific teams available. These are displayed in outpatient waiting areas.
- Launched a new inpatient menu based on patient feedback with more than 2,600 food surveys completed in the 12 months leading up to the launch in December 2018. Food tasting events provided visitors and staff an opportunity to comment on the quality and choice of food available.
  - Introduced a wider range of inpatient food options for those patients with dietary or cultural preference including an increased amount of dishes available prepared using gluten free ingredients.
  - Introduced additional clinic sessions to support mothers with complex breast feeding issues.
  - Appointed a bereavement midwife to support women and their partners who have experienced the loss of their baby or babies during pregnancy or shortly after birth.
  - Established a scout group based at the Russells Hall Hospital for children staying on the children's ward. We are the first district general hospital to do so.
  - Identified an area within the Emergency Department to provide improved facilities for paediatric patients.
  - Refurbished the adolescent room located in the children's ward with new wall murals.
  - Opened a new minor procedure room at Russells Hall Hospital that allows patients to have minor procedures without going to the main theatre.
  - Opened a Cardiac Assessment Unit located within easy reach of the main Emergency Department providing a consultant led monitoring, triage and treatment facility.
  - Introduced a red electric miniature Maserati car as a creative way to take younger patients to theatres to make the experience less daunting and less scary.

- Created a new sensory trolley that is taken to the child's bedside when they are unable to go to the playroom for any reason.
- Introduced a Community IV team that can administer antibiotics at the home of a paediatric patient.
- Introduced a revolutionary new procedure for patients with acid reflux called GERDX with no requirement for an overnight stay.
- Established a Parkinson's Disease Specialist Pharmacy Network (PDSPN) as a national network to train pharmacists across the country in how to help patients manage their condition through medication.
- Set up child friendly play areas in two areas of the ophthalmology waiting area.
- Developed a 'Welcome to the Ophthalmology Department' patient information leaflet advising patients attending a clinic appointment what to expect during their visit and who to speak to.
- Completed a project to improve the training of student nurses and doctors in how to treat patients with learning disabilities by improving clinical and communication skills. The training involves patients who themselves have a learning disability rather than using actors and mannequins.
- Set up an Enhanced Care Home Team, funded by Dudley Clinical Commissioning Group, to work initially with 18 care homes across the borough. The aim is to reduce 999 calls and hospital admissions by increasing the confidence of care home staff to manage the health needs of residents and improve delivery of care.
- Launched a new initiative that is helping nurses to stay at the bedside looking after patients while specially trained pharmacy volunteers deliver urgent medication to the wards.
- Trust dietitians coordinated a hands-on training session for 25 care home cooks from across the area so they could create delicious meals for people with swallowing difficulties.
- Continued to deliver Dementia Friends training across the Trust with 950 staff trained as at the end of December 2018.
- Reintroduced a pilot of the dementia care bundle in October 2018 for patients living with dementia who are being cared for on the Forget Me Not Unit. Evaluation to be undertaken in Q4 2018/19.
- The older people's mental health team have been based on ward C3 since October 2018.
- Supported the Forget Me Not Unit nursing leads to access the FINDMEMORY advisor to support the planned environment changes on the unit scheduled for implementation Q4, 2018/19.
- Business case prepared and submitted for the installation of colour contrasting toilet seats and door surrounds.
- Increased the ways that patients can provide feedback with the launch of the Friends and Family Test (FFT) App on the iPads used in the C4 day case along with a pilot set up to trial the App on community staff Lenovo devices.
- Redistributed a revised Welcome to the Ward booklet provided to adult inpatients across all wards.



# Examples of specific patient experience initiatives

## Children give us their views

Our children's services have been assessed by a group of local primary school pupils. Besides praising 'amazing' staff, they made suggestions of how the services could be more child-friendly. These formed the basis of an action plan that was approved by the Board. The project is part of the 15 Steps Challenge, a national campaign which focuses on seeing care through a patient or carer's eyes, and exploring their crucial first impressions. Quality review and improvement lead Sara Whitbread and lead nurse Simon Bousfield have been working with 12 children, from years one to six at the Thorns Primary School, with acting deputy head Teresa Cutler. The youngsters visited Russells Hall Hospital three times, recording their impressions of the children's ward, children's outpatients and the Emergency Departments, and then presented their findings to senior staff from those departments and head of children's services Karen Anderson. The staff on children's ward were described as 'amazing' and 'like they are your best friend'. The ward was well cared for and toys catered for all ages and both genders. The children thought toys in the other areas could be improved with a giant teddy bear 'with scary eyes' and 'too many Frozen toys' coming in for particular criticism! Unsmiling staff, and those who spoke above the child to the parent or carer, also proved unpopular with the young critics. Suggestions were for signs to be lower on walls so they could be read by children. They were also keen for staff to use simpler words.

## Virtual osteoporosis clinic

We have revolutionised management of patients receiving treatment for osteoporosis (thin bones) with our new virtual osteoporosis clinic. This is a weekly clinic to organise the administration of parenteral osteoporosis treatments. It ensures consistency of pre-treatment requirements and timely, safe and consistent prescription of important drugs that reduce the chance of fractures. Patients are waiting less time for treatment. Unnecessary delay due to outstanding investigations or management is eliminated. It has also given us an important tool for audit to ensure we are following best practice in the department. This has improved patient safety and experience.





## New food menus

The Trust listened to feedback from patients and using information from more than 2,750 survey responses designed and launched a new inpatient menu in December 2018. Prior to the launch, the Trust held tasting sessions with members of the public, patients, staff, the Council of Governors and the Board of Directors to come up with a range of meals which are the most popular and nutritious. The menu includes a wider range of special dietary and cultural choices, such as vegan and kosher; options for those with allergies; healthy choices; and energy-dense options – smaller portions with a high protein content to help towards patients' nutritional needs. There are also 'light bite' options at every meal, such as jacket potatoes, food that can be eaten without cutlery and a wider range

of sandwiches and salads. There is also a new dessert range with a choice of four hot and cold puddings plus fruit, and a new children's menu including favourites such as pasta, meatballs and roast dinners, which are very popular.

The Trust also launched 'supported mealtimes' at the hospital, when families are encouraged to go in and spend time with their loved ones while they have their meals. Ward activity is kept to a minimum at this time. Supported mealtimes mean families can spend quality time together and we try to ensure they are not interrupted by routine and non-urgent testing, doctors' rounds or administration of medicines. It ensures patients can get a nutritious meal without the disruption of procedures which can be carried out at other times.





# Complaints, concerns and compliments

## Total number of complaints, PALS concerns and compliments

### Complaints

In the period April 2018 to March 2019, the Trust received a total of 566 complaints compared to the year total of 412 in 2017/18.

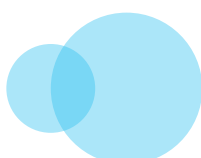
## Percentage of complaints against activity

The table below shows the percentage of complaints against total patient contact activity in quarters within the period April 2018 – March 2019. The percentage of complaints against activity has remained low.

Activity	Total Year ending 16/17	Total Year ending 17/18	Total Q1 ending 30/6/18	Total Q2 ending 30/9/18	Total Q3 ending 31/12/18	Total Q4 ending 31/03/19	Total Year ending 18/19
Total patient activity	769626	1122726	235891	240030	321252	317804	1114977
% complaints against activity	0.03%	0.04%	0.05%	0.07%	0.04%	0.05%	0.05%

## Complaints to the Parliamentary and Health Service Ombudsman (PHSO)

During the year, the PHSO received seven cases about the Trust. An appealed case against the PHSO decision was reopened by the complainant (totalling eight). Five cases have been carried over from the previous year totalling 13. Six have been closed during the year and seven remain under investigation (including the reopened case).



## Complaints to the Local Government Ombudsman (LGO)

During the year, the LGO accepted and is investigating two complaints about the Trust; both currently remain under investigation.

### Complaints by type

The chart below show the top five types of complaints received in each quarter during the year. The themes of complaints we receive remain similar to last year, reflecting the importance that patients place on effective treatment and communication to help them understand their treatment and patient journey.

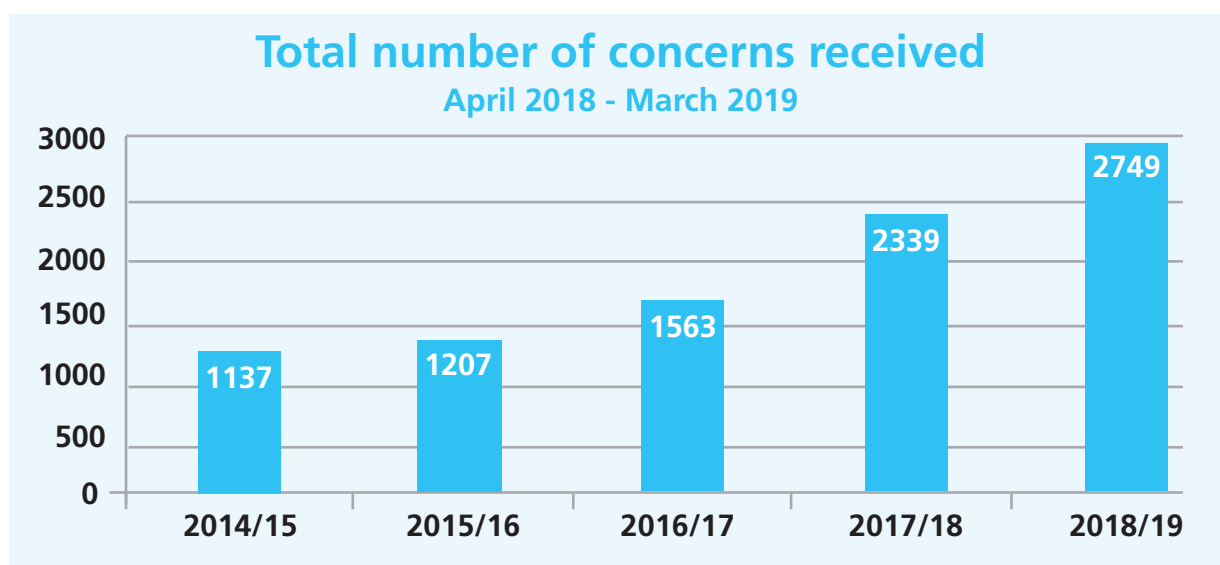
Quarter 1, 2018/19	Quarter 2, 2018/19	Quarter 3, 2018/19	Quarter 4, 2018/19
Communications	Communications	Communications	Patient care including nutrition and hydration
Clinical treatment – Surgical	Clinical treatment – Surgical	Values and behaviours – staff	Communications
Values and behaviours – staff	Values and behaviours – staff	Clinical treatment – Surgical	Clinical treatment – Surgical
Admissions/discharges and transfers (excl. delayed discharge due to absence of package of care)	Clinical treatment – general medicine	Patient care including nutrition and hydration	Values and behaviours – staff
Clinical treatment – Accident and Emergency	Clinical treatment – Accident and Emergency	Clinical treatment – Accident and Emergency	Clinical treatment – Accident and Emergency

## Patient Advice and Liaison Service

The table below details the total number of concerns raised over the last five years with the Patient Advice and Liaison Service (PALS) with 2018/19 showing the total number of concerns, comments and signposting activity. The Trust places importance on the value of feedback and has worked hard to raise awareness of the PALS services to our patients, carers and their families. This has resulted in a year on year increase in the number of those contacting and using the service.

## Concerns by type

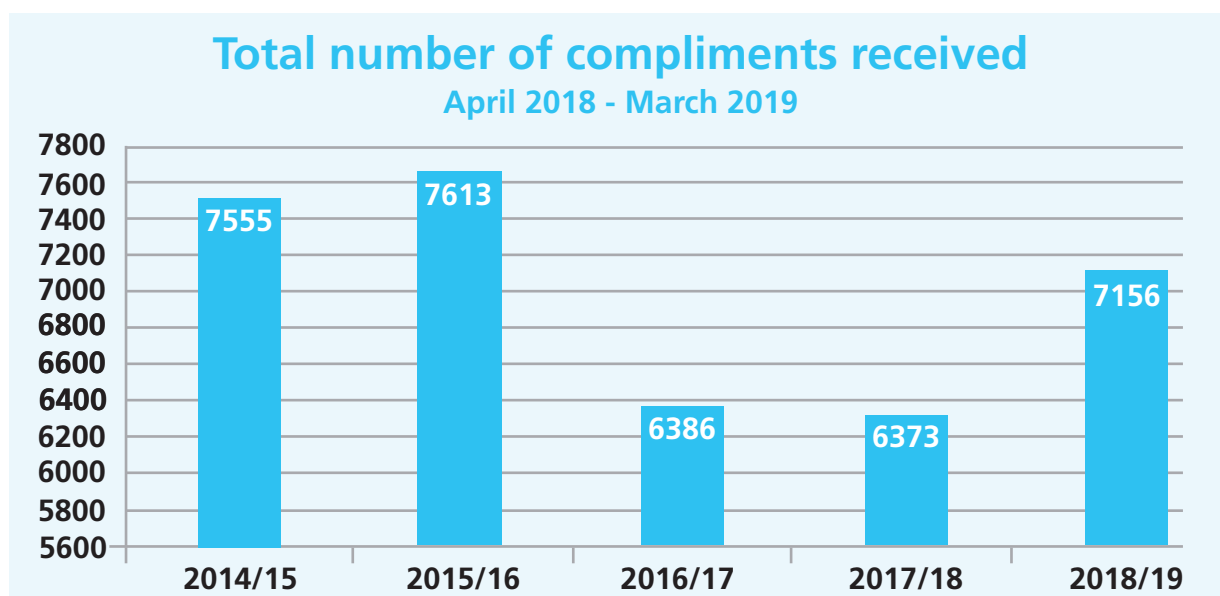
During the period April 2018 to March 2019, the types of concerns and comments received relate to appointment delays (lack of follow up appointments being offered, length of time taken for appointments to be offered and cancellations) and communications with patients and relatives. As with the types of complaints received, the themes of concerns reflect the importance that patients place on communication.



## Compliments

The table below details the total number of compliments received during the period April 2018 to March 2019 compared with previous years. It is very pleasing to see how many patients take the time to tell us of their good

experiences, with 7,156 compliments received during the year. All compliment letters received by the chief executive and chief nurse are personally acknowledged and shared directly with the individual and teams as appropriate accompanied with a personal letter of thanks.



## Examples of actions taken and changes in practice made in response to complaints and concerns

Issue raised by patient/carer	Learning and actions taken
Delay in informing the patient of the results following cardiology investigation.	Communication should be consistently provided to patients in a timely manner without prompt. Introduction of a Standard Operating Procedure which allows cardiology technicians to report directly to the patient's GP will speed up the reporting process and avoid any unnecessary delay.
Lateness of arranging podiatry appointment caused confusion to patient and their family.	<p>Action taken to improve the administrative process includes:</p> <ul style="list-style-type: none"> <li>• Moving administrative team into one location where a larger team will be able to provide a five-day cover.</li> <li>• Administrative team leader working with the operational manager for patient access to explore ways to improve patient access and understanding of how the service works.</li> <li>• Team leader has reviewed and updated all patient information paperwork to ensure that it covers the whole of the nail surgery process.</li> </ul>
Delay in prescription/discharge and attitude of nursing staff.	Complaint discussed with team's junior doctors to ensure that communication with patients is improved in future. The option of going home and collecting their medication later was not offered. The lead nurse on the ward has reiterated to all the staff the importance of listening to individual patient needs and making provision for them to go home and return for their medication should this be their choice.
Patient prescribed and dispensed the wrong drug following an out-patient appointment. The wrong drug was taken for three days.	It was found that junior doctors working in the area were not content with the countersignature process when they have not met the patient. A Standard Operating Procedure for physician associates to write prescriptions was developed. Staff involved have completed reflections as part of their appraisal process, and for wider learning an anonymised case summary was presented at an Acute Medical Unit teaching session.
Patient felt there were multiple errors made by staff during her labour and postnatally.	Identified action included providing additional written information to expectant parents, postnatal notes to go home with the woman even when she resides outside Dudley borough and has care from midwives from other Trusts, and it was recognised that communication regarding baby's progress to parents should have been better.
Dissatisfied with the service received when collecting a death certificate.	The staff member involved was a volunteer who was operating outside of their remit. Discussion was had with the volunteer to help them understand their role. Volunteers are now suitably inducted and a pack handed to them detailing the remit and limitations of their role. The team will ensure that the reception is manned by staff members.
Patient's chest drain had 'fallen out' and poor end of life patient care.	<p>Emphasis to all staff placed on the safety checklist for chest drain insertion in ED which includes the level of supervision for the procedure and a signature to confirm sutured and tubing and dressing secured. It was agreed to set up a rolling programme to ensure doctors joining the Trust are aware of local policies and how to access them. Support from respiratory consultants with teaching and supervision and utilising the patient information leaflet continues. Nursing staff reminded to use the chest drain chart which includes visual checks on the insertion site.</p> <p>The palliative care team has provided additional training for ward staff reinforcing the importance of good communication. Medical staff (respiratory) have elected a palliative care champion to lead on end of life care and the team have also signed up to the gold standard framework which includes a two year training commitment.</p>

# Patient-led Assessments of the Care Environment (PLACE)

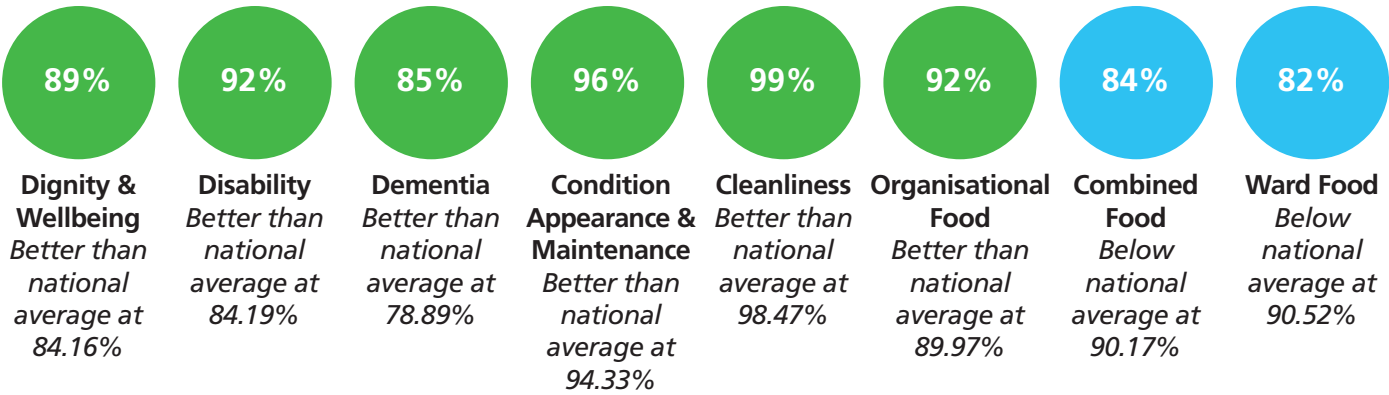
PLACE is the national system for assessing the quality of the hospital inpatient environment but does not include the provision of patient clinical care. All Trusts are required to undertake these inspections annually to a prescribed timescale (10 week period). In 2018 the assessment took place on 16 May with the results being nationally published on 16 August 2018.

The PLACE team is led by patient assessors who make up at least 50 per cent of the assessment team. In 2018, 13 patient assessors took part from the local Healthwatch team along with governors of the Trust. The remaining 50 per cent were staff assessors from the Trust and Summit Healthcare.

The inspection requires wards, outpatient areas, emergency department, communal areas and external areas to be assessed for:

- cleanliness,
- the condition, appearance and maintenance of the buildings and fixtures (inside and out),
- how well the building meets the needs of those who use it, eg signage,
- the quality and availability of food and drinks,
- how well the environment protects people's privacy, dignity and wellbeing, and
- how the premises are equipped to meet the needs of patients with disability and dementia.

The 2018 scores identify that the Trust was above the 2018 national average in six of the eight categories.

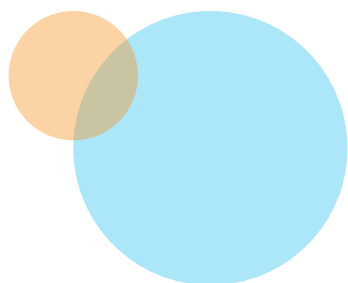


In the privacy, dignity and wellbeing category the Trust achieved a slightly lower score than in 2017 achieving 88.64 per cent in 2018 compared to 88.89 per cent in 2017 and actions are being taken to address the inadequacies. There was a significant increase in the dementia score with the Trust achieving 85.45 per cent compared to 77.60 per cent in 2017. It was agreed that this was due to the Trust investing in this particular area such as the installation of dementia clocks and more appropriate signage.

As the combined/ward food scores were below the national average, an action plan was developed working with the Trust's PFI partners to address the concerns of non-fulfillment. Actions included the purchase of new food regeneration trolleys across all areas of the hospital, the implementation of a supported mealtime policy and the introduction of a new food supplier.

The implementation of the new food supplier Apetito in December 2018 provided the Trust with the opportunity to review the inpatient menu for both adults and children. The new menu, developed based on patient feedback, provides a wide variety of food choices. In addition to the hot choices available at lunch and supper, jacket potatoes with fillings, sandwiches, salads and light bites are also available. Actions to develop the food service are monitored by the catering operations and monitoring group, with representation from all relevant parties including matrons. Patient surveys have continued to take place since implementation and feedback on the food has generally been positive.

Following the national PLACE assessment, a Trust action plan was developed and agreed, and actions assigned to individuals to progress. These actions have subsequently been monitored by the Patient Experience Improvement Group. In addition to the national assessment, the Trust carries out monthly mini-PLACE assessments.



## Single-sex accommodation

We are compliant with the Government's requirement to eliminate mixed-sex accommodation. Sharing with members of the opposite sex only occurs when clinically necessary (for example, where patients need specialist care such as in the Critical Care Unit), or when patients actively choose to share (for instance in the Renal Dialysis Unit). During the year, the Trust has reported 74 breaches of same-sex accommodation. All of these patients were those who were cared for in a specialised unit, such as the Intensive Care Unit or High Dependency Unit. Following improvement in their condition, the patients were assessed as being able to be moved to a general ward but had to stay in the specialised unit longer than necessary due to there being no general ward beds immediately available. All of these occurred when capacity issues were a major problem both at the Trust and in the NHS generally.

As part of our real-time survey programme, patient perception is measured by asking patients whether they shared a room or bay with members of the opposite sex when they were admitted to hospital. Across the year, of the 1,317 patients who responded to this question, 96 (less than 7.5 per cent) had the perception that they shared a room/bay with members of the opposite sex. This excludes emergency and specialist areas.

## Patient experience measures

	Actual 2014/15	Actual 2015/16	Actual 2016/17	Actual 2017/18	Actual 2018/19	Comparison with other Trusts 18/19
Patients who agreed that the hospital room or ward was clean	8.9	9.0	8.8	8.7	8.6	Not available
Rating of overall experience of care (on a scale of 1-10)	7.8	8.0	7.8	7.9	7.8	Not available
Patients who felt they were treated with dignity and respect	8.7	8.9	8.9	8.8	8.6	Not available

The above data is from national inpatient surveys conducted for CQC.



# Patient Safety

Are patients safe in our hands?

## Introduction

The Trust ensures the safety of its patients is a main priority in a number of ways, from the quality of the training staff receive, to the standard of equipment purchased. This section includes some examples of the preventative action the Trust takes to help keep patients safe, and what is done on those occasions when things do not go to plan.

## Quality and safety reviews

The Trust is committed to the delivery of high quality, safe patient care and has established a system of quality and safety reviews which assess if it is 'Safe', 'Effective', 'Caring', 'Responsive' and 'Well-led' (CQC Fundamental Standards). The reviews provide assurance of these areas to the board. They utilise a set of tools that enable a full review of a clinical area and identify both good practice and topics where improvement is required. The wards and departments reviewed are provided with CQC style ratings for each domain and an overall rating, allowing them to prioritise the actions for improvement required. Action plans produced are managed through the governance structures within the relevant division.

The reviews occur every two weeks and are undertaken by a wide multidisciplinary team. The team also includes non-executive directors, members of the Board of Governors and representation from NHSI and our CCG. The diversity of the team members allows a broader perspective to be gained during the review. Feedback is provided on the same day following aggregation of the review team's findings. A formal report of the review is sent within one week of the review to the ward manager, matron and divisional chief nurse.

Actions plans developed from the visit are managed through the Divisional Governance structure. In the instance where a poor rating is applied this results in a follow up visit by the team within four weeks to ensure improvements have been made. This multi-dimensional view of our services coupled with executive director and non-executive director 'back to the floor' walk rounds, ensures that we maximise our opportunity to learn and improve our services for the benefit of our patients and staff.

Some of the findings of the reviews included:

- Staff were able to describe how they have learned from incidents and made changes to improve the patient experience.
- Staff were able to accurately describe the process of staffing escalations.
- Patients' privacy and dignity was maintained during delivery of personal care and during discussions with medical staff.
- Staff were able to describe the correct action to take if they had a safeguarding concern.
- All acute wards displayed a quality dashboard that was visible to the public.
- Evidence of the introduction of daily safety huddles to improve communication.



# Incident management

The Trust actively encourages its staff to report incidents, believing that to improve safety it first needs to know what problems exist. This reflects the National Patient Safety Organisation which has stated:

*“Organisations that report more incidents usually have a better and more effective safety culture. You can’t learn and improve if you don’t know what the problems are.”*

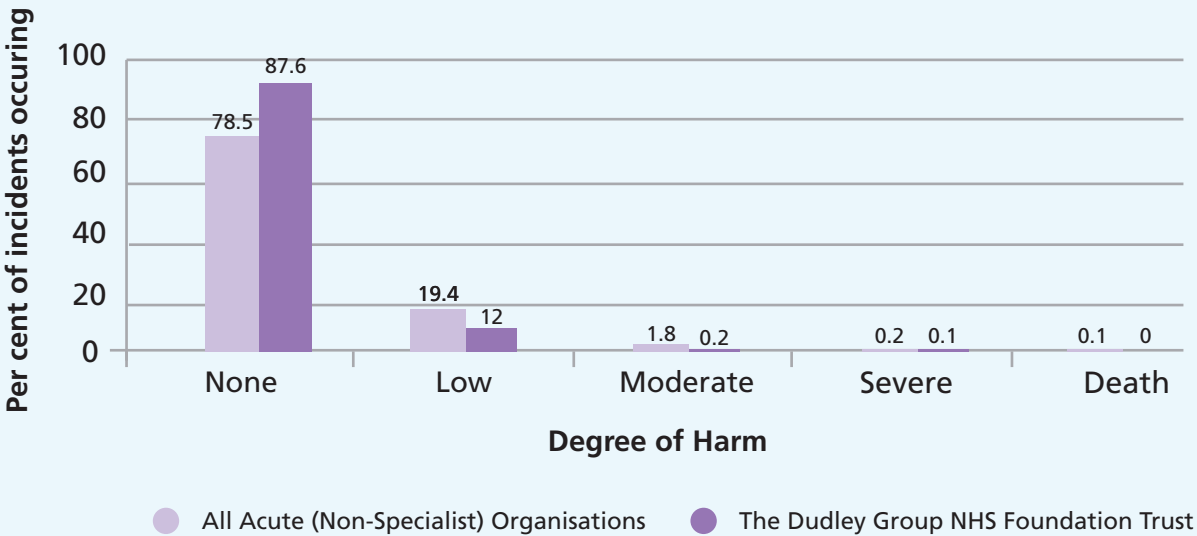
As a Trust, we are committed to learning from incidents. This is supported by an open culture which encourages any incident regardless of the level of harm (including ‘near misses’) to be reported through the Trust’s electronic incident management system Datix. During 2018/2019 the CCG and NHSI have undertaken a review of patient safety and have made recommendations to the Trust. These have been responded to and a patient safety improvement plan developed. NHSI have provided funding to support further external

training to deliver root cause analysis (RCA) training to a large number of staff, including clinicians and managers.

The Integrated Governance report is made available to both divisions and directorates/specialities on a monthly basis. The reports have been further developed to include all aspects of patient safety and quality, allowing all areas to identify trends or issues early and take action. The Trust has established a number of KPIs for monitoring both its qualitative and quantitative performance in respect of registering and reporting serious incidents. Compliance is monitored within the Trust and discussed with our partners at the CCG.

The chart below shows the percentage of incidents reported by degree of harm at the Trust and for all acute (non-specialist) trusts in England and Wales, from 1st April 2018 to 30th September 2018.

Incidents reported by Degree of Harm for Acute (Non-Specialist) Trusts in England and Wales  
1st April 2018 to 30th September 2019



With regards to the impact of the reported incidents, it can be seen from the chart that the Trust reported similar proportions of incidents to comparable trusts. Nationally, across all acute (non-specialist) trusts, 78.5 per cent of incidents are reported as no harm (the Trust reported 87.6 per cent) and 0.1 per cent as death (the Trust reported zero per cent).

The Trust uploads incidents to the National Reporting and Learning System every two weeks, thereby minimising the amount of data that could be lost if one of these transmissions fails and, in addition, pre-upload and post-upload reconciliations are undertaken independently of the operational incident team

The Trust has had no Never Events (a special class of serious incident that is defined as a serious preventable adverse incident that should not occur if the available preventative measures have been implemented). The Trust had 65 serious incidents\*, all of which underwent investigation in line with the Trust's policy which is based on national requirements and, when relevant, action plans were initiated and changes made to practice.

*\*Serious incidents are events in healthcare where the potential for learning is so great, or the consequences to patients, families and carers, staff or organisations are so significant, that they warrant using additional resources to mount a comprehensive response.*

Some examples of changes made to practice in response to incidents have been:

- RADAR events have been established to help staff Recognise Acute Deterioration, Assess and Refer. The first event was held in April 2018 when a quick reference guide to the National Early Warning Score (NEWS) and escalation process was launched. A NEWS card guide has been developed and contains the NEWS score on the reverse and fits neatly into ID badge holders.
- Incidents relating to falls identified the need to label walking aids to make staff aware if the walking aid should be in the patient's reach or not. A red band identifies that the walking aid should not be in reach of the patient and a green band identifies that the walking aid should be.
- The volunteer process has been changed following an incident to ensure trainees can be identified by a red sports bib and green name badge.
- An investigation into a serious incident identified a concern in relation to test results being phoned through to ED and not being actioned. In response to this a decision was made in conjunction with the senior staff within ED and the laboratories that all urgent bloods are now phoned through to the Emergency Practitioner in Charge (EPIC) on an identified phone extension number in ED.
- An incident occurred within ophthalmology whereby a patient was incorrectly identified for a procedure and the investigation found that there was no Local Safety Standard for Invasive Procedure (LOCSIPP) for laser treatment undertaken within the clinic. An immediate action was to develop a LOCSIPP for laser and Fundus Fluorescein Angiogram (FFA) procedures in the outpatient department.
- In response to a number of incidents of delays in CT scanning, a new service went live in October 2018 to improve access to emergency, urgent and inpatient CT imaging. It offers rapid and easy access to CT and replaces the duty radiologist service.

- Following a number of incidents, the Nerve Centre, an electronic communication system, has been upgraded to include pathology results highlighted as urgent and clinicians using the system on an iPod can now hand over a task to the oncoming shift. Handed over tasks are marked as such in the task status, including the name of the person the task was handed over to.
- A deficit in staff knowledge in relation to the undertaking and recording of neurological observations following a head injury was identified in reported incidents. Training on neurological observations has been incorporated into the Intermediate Life Support, Advanced Life Support and Acute Illness Management training.
- To ensure that patients are appropriately identified wrist bands are now placed on all patients who are having an invasive procedure when they book in for the procedure in the eye clinic. The use of wrist bands on patients has also been introduced in all outpatient areas where invasive procedures are undertaken.



# Duty of Candour

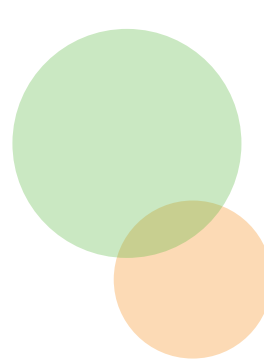
The Care Quality Commission (CQC) in November 2014 implemented Regulation 20: The Duty of Candour. The aim of this regulation is to ensure that staff are open and honest with patients when things go wrong with their care and treatment. This includes any event when a patient has been harmed. To ensure compliance to the regulation and to ensure this framework is embedded in the organisation, the Trust has taken the following actions to further ensure compliance and improve completion of the necessary documentation:

- The central patient safety team liaises with the lead investigator of an incident to ensure that the Duty is completed within the 10 day framework and then on closure of the investigation. The team notify the lead investigator if the patient requires feedback following the completion of the investigation, and co-ordinates any written feedback requests.
- Our commissioners are provided with evidence of the completion of the aspects of the initial discussion with families through the national serious incident reporting system (STEIS).
- Duty of Candour training is provided on request to the Patient Safety Team.
- A Standard Operating Procedure is in place detailing the process of how to complete the Duty of Candour documentation and this is available to staff on the Trust's intranet.
- A quarterly audit of the completion of the Duty of Candour is undertaken and the results are presented to the Board of Directors and shared with commissioners.
- There is a dedicated page for staff on the Trust intranet.

# Quality Indicators

Every month, 10 nursing records and supporting documentation are audited at random in all general inpatient areas and specialist departments in the hospital, and in every nursing team in the community. These have previously been known as Nursing Care Indicators (NCIs). A total of 17 areas of care (approximately 370 records) are audited each month. The purpose of this audit is to ensure nursing staff are undertaking risk assessments,

performing activities that patients require and accurately documenting what has taken place. The results of the audit for each area of the Trust compared to last year are shown below. They generally show improvement since last year although direct comparison is difficult due to changes in the tools over time and three areas did not achieve the 95 per cent target in either year.



Area of Audit	2017/18	2018/19
Community Children's	100%	100%
Community Neonatal	100%	100%
Critical Care	95%	97%
District Nurses	95%	97%
EAU/AMU	86%	91%
ED	90%	94%
General Wards	93%	96%
Maternity	96%	94%
Neo Natal	99%	98%
Paediatric	97%	96%
Renal	98%	97%



In addition to the above indicators, a number of other more specific audits, such as assessing the care of diabetes patients and patients at risk of falls, are conducted monthly. The audit tools are reviewed regularly to reflect learning from incidents and changes in practice. These audits have an escalation framework to ensure that issues that could be improved are addressed by the lead nurse and matron for that area. As well as the monthly audit system, spot checks occur in all areas alongside the wider quality and

safety reviews. In February 2019 the Trust commenced the implementation of 'Perfect Ward'. This is a smart inspection app which is installed on Trust handheld devices. It allows nurses to spend less time on data collection. As soon as an inspection has been undertaken and submitted within the handheld device the results are visible. This means that the key findings can be reviewed immediately with the lead nurse of the area so any required improvements can be addressed straight away.

## Falls Prevention

In 2018, the Trust continued to work with NHSi as part of their National Falls Practitioner network which enables us to discuss and share ideas and learning. This relationship with other Trusts throughout the country will continue in 2019 and there is a possibility of expanding the network so it can be managed regionally. The Trust was invited to present at the first National Falls Conference which took place in November 2018.

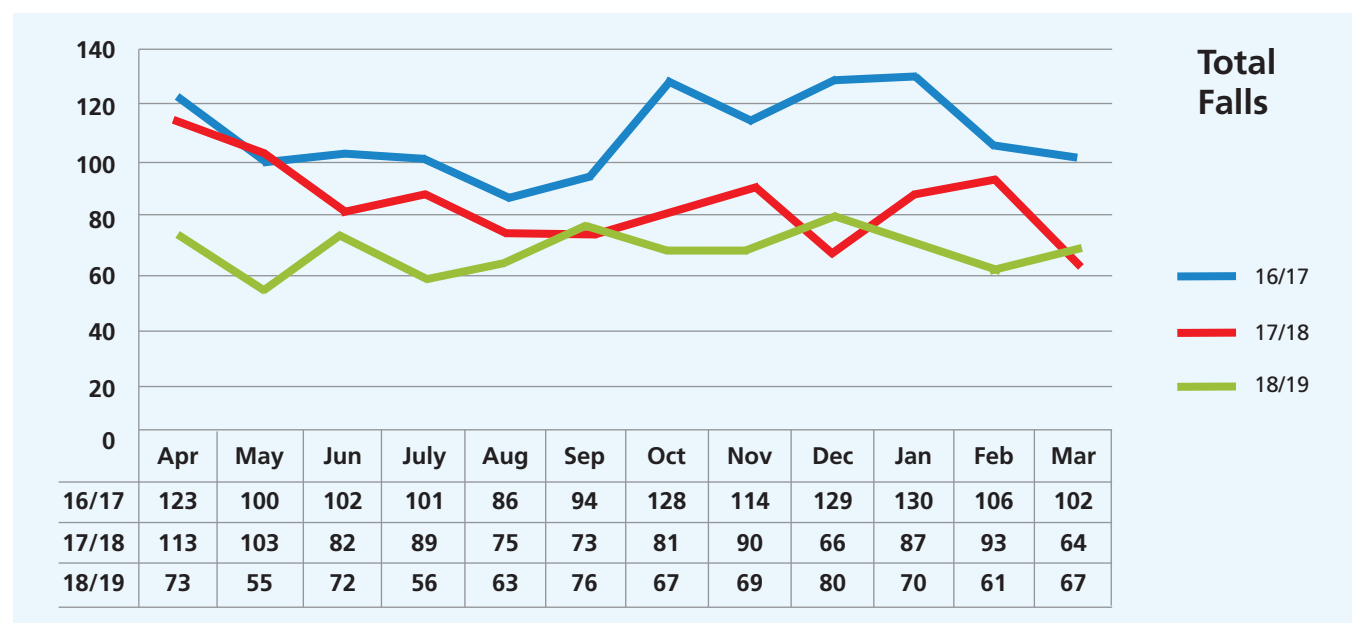
The following falls actions have been introduced/continued in 2018:

- falls under-reporting tool undertaken every six months,
- review of all falls (not just those with harm) to confirm any learning from the falls with no harm,

- monthly falls audits for wards, results shared on dashboard,
- meetings with individual wards to explain their own falls data and discuss further actions,
- falls prevention mandatory training given a target of being above 90 per cent,
- new falls prevention online training launched for both acute and community staff,
- monthly meetings for falls prevention management with a multi-disciplinary attendance (including community), and
- enrolment in the 2019 RCP National falls audit.

The above actions and previous initiatives have resulted in a considerable reductions in falls at the Trust as Table 1 below shows.

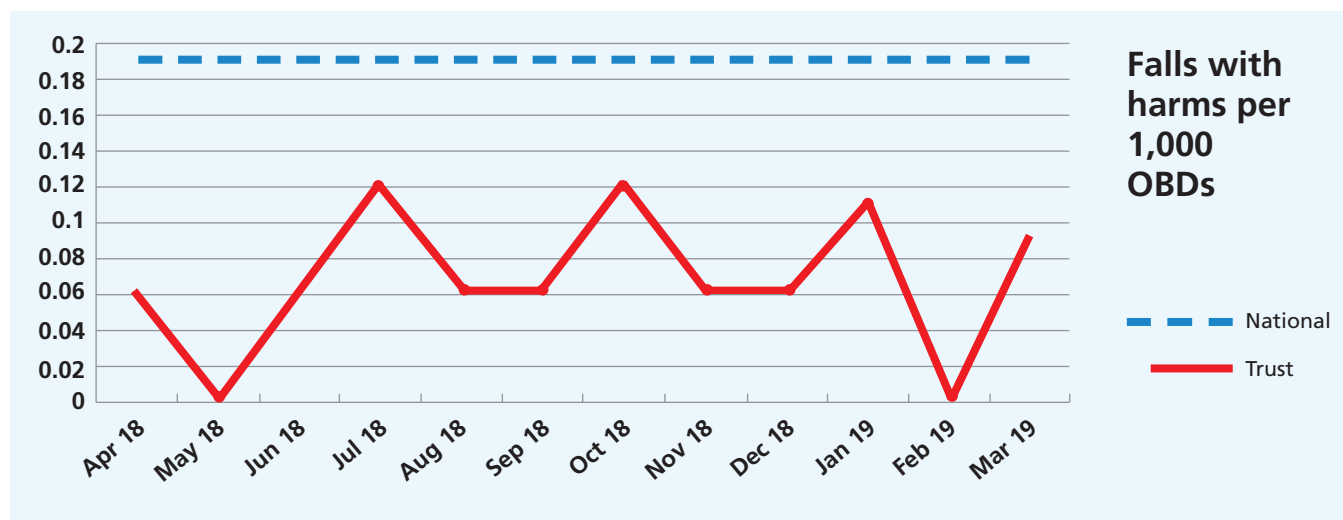
**Table 1. All patient falls at the Trust**



The recording of falls with harm per 1,000 Occupied Bed Days began nationally in October 2015, following the first National Falls Audit by the Royal College of Physicians.

Table 2 clearly shows the positive effect of the work undertaken at the Trust. The Trust has remained below the national average for falls with harm.

**Table 2. Patient falls with harm at the Trust per 1,000 occupied bed days (OBDs) compared to the national average**



## Harm Free Care and NHS Safety Thermometer

The NHS Safety Thermometer used for adult patient care has been developed as a 'temperature check' on four key harm events – pressure ulcers, falls that cause harm, urinary tract infections in patients with a catheter and new venous thromboemboli. It is a mechanism to aid progress towards harm free care and is available across the whole of the NHS.

Each month, on a set day, an assessment is undertaken consisting of interviews with patients, accessing the patient's bedside nursing documentation and, when required, examining the main health record. On average, 480 adult inpatients (excluding day case patients and those attending for renal dialysis), and 580 patients being cared for in the community are assessed.

To ensure accuracy of audits submitted as well as improved lines of communication, access to the database has been restricted to staff who have received training.

The Children and Young People's Services Safety Thermometer is a national tool that has been designed to measure commonly

occurring harms in people that engage with children and young people's services. It's a point of care survey that is carried out on one day per month which supports improvements in patient care and patient experience, prompts immediate actions by healthcare staff and integrates measurement for improvement into daily routines. This process is led by the clinical governance lead for paediatrics. The Maternity Safety Thermometer allows maternity teams to take a temperature check on harm, and records the proportion of mothers who have experienced harm free care, but also records the number of harm(s) associated with maternity care. It supports improvements in patient care and patient experience, prompts immediate actions by healthcare staff and integrates measurement for improvement into daily routines. This process is led by the maternity matron.

The Trust regularly monitors its performance and, although direct comparisons need to be made with caution, it is pleasing to note its harm events fall below the national averages.

# Examples of specific patient safety initiatives

## Patient Safety Lead

With the appointment of Dr Nicky Calthorpe as the Trust Patient Safety Lead there has been a wide ranging set of improvement developments during the year. Key ones include:

- To highlight that human factors and non-technical skills knowledge is necessary to identify where things can go wrong and to enable staff to utilise understanding to identify potential sources of error, over 300 staff have now had face to face training on this topic with a video in preparation that will be mandatory viewing for all clinical staff.
- A deteriorating patient task and finish core group composed of a multidisciplinary team of clinicians and nurses has developed a deteriorating patient pathway to ensure that the right people are delivering, at the right time, the right care to the right patients who do not fit into pre-existing pathways.
- A patient safety summit which was a multidisciplinary event was held in September with external speaker input and presentation of the Trust's safety strategy for discussion.
- A Patient Safety Champion network has been established with representation from all the clinical areas with multidisciplinary staff being the focus point for patient safety issues and development of improvement projects and receiving support and training for doing so.
- We are also developing a three tier deteriorating patient education module for individual and clinical area accreditation composed of mandatory training linked to caring for acutely unwell patients with additional educational modules.

## Urinary Catheter Passports

The new catheter passports are given to patients in Dudley with long-term catheters inserted in GP surgeries, primary care settings and at Russells Hall Hospital. The aim is to ensure a quality driven, patient focused service with the intention of delivering a reduction in E coli blood stream infections related to urinary catheters and inappropriate antimicrobial prescribing. Patients are asked to take the passports to all appointments, and when a catheter is inserted or changed the details will be completed in the passport to alert hospital staff on admission.

There is an NHS ambition to halve the numbers of healthcare associated Gram-negative blood stream infections by 2021. The passport includes the date the catheter was inserted and the dates when it is changed. This is part of a health economy initiative, being led by the clinical commissioning groups, set by Public Health England and NHS Improvement. The passport was launched in Dudley with Dudley CCG, Black Country Partnership NHS Foundation Trust and Dudley and Walsall Mental Health Partnership.



## Cardiac Assessment Unit (CAU)

In November 2018 the Trust opened the Cardiac Assessment Unit (CAU) which has improved both patient safety and the overall patient experience. The unit is for patients with chest pain and a low to intermediate suspicion of being an Acute Coronary Syndrome (ACS) or patients with other cardiac conditions where they are ambulant, such as newly discovered atrial fibrillation and other arrhythmias.

It is a six chaired specialist area near the emergency department, run by our cardiac nurse specialists (the CAT nurses) and supported by the on-call cardiology consultant/registrar.

This means patients are seen quickly by specialists rather than, as previously, waiting among patients with other conditions which

occasionally led to a delayed diagnosis of acute coronary syndrome or myocardial infarction and the patient having to be admitted to the coronary care unit.

These patients are now all seen within an hour (current average of 30 minutes) by a specialist nurse, monitored on telemetry, have their blood tests and X-rays undertaken in a timely manner and are all discussed with a cardiologist (with an average stay of about 4-6 hours).

This has led to early diagnosis and hence more timely treatment of several myocardial infarctions, outpatient management of many arrhythmias that historically would have been admitted, and the safe discharge of the majority of patients who are followed up on an outpatient basis.

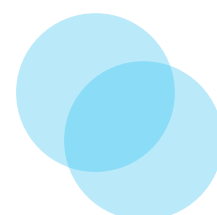
## Patient safety measures

	Actual 2014/15	Actual 2015/16	Actual 2016/17	Actual 2017/18	Actual 2018/19
<b>Patients with MRSA infection per 1000 bed days* Trust Vs. National</b>	0 Vs. 0.009	0.009 Vs. 0.009	0 Vs. 0.009	0 Vs. 0.008	0.0004 Vs. *
<b>Never events – events that should not happen whilst in hospital</b> Source: adverse incidents database+	1	1	1	3	0
<b>Number of cases of deep vein thrombosis presenting within three months of hospital admission**+</b>	102	130	138	122	116

\* Data source: For 2014/15 to 2017/18 from National Statistics on [www.gov.uk](http://www.gov.uk) For 2018/19, for Trust figure, numerator data taken from infection control data system and denominator from the occupied bed statistics in patient administration system. No national figure yet available.

\*\* We review all diagnostic tests for deep vein thrombosis and pulmonary embolism (PE), cross referencing positive tests with past admissions. This methodology is only undertaken by relatively few hospitals as it is labour intensive, but is recognised as giving a more accurate figure for hospital acquired thrombosis. As a further check, we receive notification from the bereavement officer if PE was identified as the primary cause of death.

+ For these two indicators benchmarking data is not available.





# Clinical effectiveness

Do patients receive a good standard of clinical care?

## Introduction

This section includes the various initiatives occurring at the Trust to ensure patients receive a good standard of care and examples of where we excel compared to other organisations.

## Examples of awards received in improving the quality of care

**West Midlands Academic Health Science Network Supporting Self Care and Prevention of Illness Award July 2018**

**Clinical Research Network West Midlands Clinical Research Impact Award October 2018**

'Love Your Heart' which was described in last year's report is an innovative interactive web-based patient education resource about the cardiovascular risks of rheumatoid arthritis; Dr Holly John, consultant rheumatologist, wrote the content and collaborated with the National Rheumatoid Arthritis Society charity to get it developed into its final product. It was launched in February 2018; within one week, 456 people had signed up to the programme.



### MBE award

Dr Janine Barnes, the Trust's neurology specialist pharmacist, was awarded an MBE in the Queen's New Year's Honours list. It recognised her work in pharmacy, with Parkinson's patients, and for NICE. Her role was the first in the UK to combine prescribing and managing the condition of Parkinson's disease with educating primary and secondary care staff on neurology, while ensuring all new drugs in the area are added to formulary and that relevant guidelines are written to ensure all clinicians are managing neurology patients in the same way and according to best practice. She was also recognised for her work with NICE – the National Institute for Health and Care Excellence – in drawing up the updated Parkinson's disease guidelines. She has been chosen to sit on the NICE guideline committee which will review the use of cannabis products in neurological conditions

She founded, and is now the chair of, the Parkinson's Disease Specialist Pharmacy Network, a national network aimed at up-skilling pharmacists in the management of Parkinson's disease. She is also a regular adviser to Parkinson's UK.

"Dudley showed great innovation in the formation of my role in 2009, and we have continued to develop it since," she says.

"It has enabled us to significantly improve the patient experience of people with Parkinson's disease by reducing waiting times and allowing treatment closer to home.

"As the benefit of the role has become apparent, I have been involved in replicating it in a number of other health authorities. I feel very privileged to be able to help people with Parkinson's disease and their relatives and I am very fortunate to meet many lovely people on a daily basis."





### Nursing Times Learning Disabilities Award 2018

Learning disabilities liaison nurse Jacqui Howells and simulation lead Katie O'Connor won a Nursing Times Award 2018. Jacqui and Katie picked up their award, in the Learning Disabilities Nursing category, at The Grosvenor House Hotel in London. They won for their learning disability simulation pathway. This was developed to improve student nurse education by giving them an understanding of the needs of people with a learning disability when they use hospital services. Jacqui employed twin sisters Diane and Susan Baker, who themselves have a learning disability, to be involved in the training, which gave the students valuable experience in how to improve their clinical and communication skills. Jacqui said: "We are absolutely delighted to have won. The judges have talked about it being an innovative way of working and very patient-focused because we have patients teaching with us. There is a big drive nationally for learning disability awareness so this project has come at the right time. There is a lot of interest now from NHS England, who sponsored our award category, and they are keen to look into taking this out nationally."



### Shortlisted for Acute Sector Innovation HSJ award

The Trust was shortlisted for our pioneering endoscopic treatment of Zenker's diverticulum. Professor Sauid Ishaq introduced the procedure in the UK in 2013. The Trust now takes nationwide referrals for this procedure, which sees patients treated as a day case. Zenker's diverticulum is a rare, benign condition. In this condition, a large sac develops in the upper part of the oesophagus.

The most common symptoms are difficulty in swallowing, regurgitation of food and choking during eating. Zenker's diverticulum significantly affects people's quality of life. With the new procedure, an endoscope is passed over the tongue and down the throat to identify the pharyngeal sac. The bridge of muscle that leads to this sac is then cut. The base of this muscle is clipped with a metal clip to prevent any perforation.

### Psoriasis Nurse of the Year

Dermatology staff nurse Liz Jones was named Psoriasis Nurse of the Year 2018 after being nominated for the national award by one of the patients she cared for. She was nominated by grateful patient Alizah Pervez who saw a poster about the competition.



Says Liz: "Alizah came to us as a young teenager and over the years came back many times and, when that happens, you get to know them as a person. She saw a poster about the awards and nominated me online. They told me I had won because she wrote such a wonderful submission."

Alizah said: "Liz has worked with me, and also my mum, for about six years. I'm 19 now but I was barely a teenager when I began coming for treatment and at that age you don't want to be having treatment. Liz always made sure she spoke to me about what was going on and explained everything in a way I would understand. She would always remember who I was."

Alizah's condition was severe, affecting her scalp, face, arms – she says the only part of her body free of psoriasis was her feet. She added that it was easier to deal with the treatment, and the impact on her life as a teenage girl in general, when she understood what psoriasis was thanks to Liz's explanations.

Liz moved into dermatology around 15 years ago, having enjoyed the clinics while working in general outpatients. She said she was amazed to have won, especially because it was only a small department compared to those in cities such as London and Birmingham.

# Examples of innovation

## Diabetes antenatal care and team working, using technology and reducing face-to-face visits

It is especially important to monitor diabetes during pre-conception and pregnancy as we know that good blood glucose control improves the outcomes for both mother and baby. The Trust was one of the first in the country to have approval to use Flash Glucose monitoring to enable mums-to-be to optimise their glucose control during pregnancy and we can now offer this treatment to all women with type 1 diabetes who become pregnant.

Flash glucose monitoring uses a small device worn on the upper arm, which continuously records interstitial glucose levels. This can be read by scanning with either a reader or the woman's mobile phone and shows the current glucose reading, the last eight hours of glucose history and a trend arrow showing if glucose is going up, down, or changing slowly. The reader can even scan through clothing, meaning the test can be performed discreetly anywhere and is completely painless. Patients find this easier and less painful than performing multiple blood glucose tests.

Patients can use the data to monitor their day-to-day diabetes control, and they can also choose to share their data with the hospital diabetes antenatal team. The Trust has developed a pioneering weekly virtual antenatal technology clinic, run by a multi-disciplinary team of diabetes consultants, specialist nurses and dieticians to monitor diabetes during pre-conception and pregnancy.

Each woman's download is discussed every week in a virtual clinic by the expert team. If any changes to diabetes management are recommended, the patients are contacted, either by phone, email or face-to-face, to agree a new management plan. This might involve changing the dose of insulin, offering advice and support about diet and lifestyle, or considering other treatment such as insulin pumps and continuous glucose monitoring devices.

## Support to Care Home Patients

A multidisciplinary team has been working with care homes across the area to reduce 999 calls and hospital admissions this winter. The Enhanced Care Home Team trains and supports care home staff.

They worked initially with 18 homes across the borough that have the highest number of non-elective admissions. Similar schemes elsewhere led to a reduction in hospital admissions from care homes. This formed part of the Trust's winter planning.

Included in the team, led by Edliz Kelly, are a district nurse, community health nurse, mental health nurse, dietitian, occupational therapist and speech and language therapist. They run day-long training in homes and provide support to managers. The aim is to empower staff with their decision making, improve care delivery and safety.

Edliz said: "We have identified why residents are going into our Emergency Department and are looking at prevention of those issues in care homes. For instance a common reason is chest infections – this can be linked to poor oral health so the speech and language therapists will be looking at better ways to deliver mouth care.

"Similarly our occupational therapist will be working with activity co-ordinators to help them provide activities which improve health and wellbeing and prevent falls."

Edliz and the team work with the homes on care of residents who are nearing the end of their lives, so more people can spend their final hours in a familiar place of choice surrounded by family, rather than as an emergency patient in hospital. The team have promoted the initiation of advance care planning and granting residents' wishes.

"We really want to help give residents a better experience in their care homes by working together with, and supporting, the care home staff and residents," she said.

# Examples of specific clinical effectiveness initiatives

## Innovations in Community Physiotherapy

The Trust physiotherapists have begun a number of innovative and clinically effective services that have resulted in improved care and outcomes for patients. These include the commencement of an ESCAPE-pain (Enabling Self-management and Coping with Arthritic Pain through Exercise) knee class in conjunction with Dudley Council for conservative management of knee and hip osteoarthritis. This takes place at the Crystal Leisure Centre in Stourbridge. The class contributes to reduction in both pain and the need for surgery. Another new service is the implementation of a yoga for healthy backs class at Netherton Healthy Hub. One of the physiotherapists is a qualified yoga instructor and such classes have been shown to lead to better self-management of the condition, less time off work and reduction in back pain. Both of these services are based in exercise facilities which patients are encouraged to use to further reduce their symptoms.

The service is also participating in the NHS England first contact physiotherapy pilot. At present this is available from five GP surgeries but it is hoped to roll it out across the borough. Patients from these surgeries have direct access to a physiotherapist who is able to provide invaluable advice about any particular musculoskeletal problem, shoulder or back pain, for instance. They do not have to see the GP first. The physiotherapist can fast track the patient to hospital based services if necessary i.e. orthopaedic consultants. The service frees up GP time, reduces the need for medication and unnecessary imaging/X-rays and research has shown that it results in more appropriate referrals for surgery.

## Dudley Provisional Endometriosis Centre

The Trust has successfully registered as a provisional endometriosis centre with the British Society of Gynaecological Endoscopy (BSGE) which exists to improve standards, promote training and encourage the exchange of information in minimal access surgery techniques for women with gynaecological problems. This is the first centre of its kind in the Black Country. Endometriosis is a chronic debilitating condition affecting at least 10 per cent of women. It can have a significant impact on a woman's quality of life. Complex laparoscopic surgery for severe endometriosis requires considerable expertise to limit the risks of this surgery. The national guidelines from the National Institute of Clinical Excellence (NICE), the Royal College of Obstetricians & Gynaecologists (RCOG) and the BSGE recommend that women with complex endometriosis are treated in such centres of expertise. These centres are set up subject to strict BSGE criteria to provide women with complex endometriosis with multidisciplinary, comprehensive, personalised and evidence based approach with improved outcomes in multiple pelvic pain parameters and quality of life.



## Black Country Abdominal Aortic Screening

Our Black Country Abdominal Aortic Aneurysm (AAA) screening programme has some of the best screening coverage in the country. We scored above the national average for all three benchmarks.

The national screening data for 2017/18 was published in early 2019 and it showed that for:

- Abdominal aortic aneurysm screening – coverage of initial screen (the proportion of men eligible for abdominal aortic aneurysm screening who are conclusively tested) the national percentage performance ranges from 54.7 to 85.8 with an average of 78.5. The Black Country Programme performance is 80.8.
- Abdominal aortic aneurysm screening – coverage of annual surveillance screen (the proportion of annual surveillance
- appointments due where there is a conclusive test within six weeks of the due date) the national percentage performance ranges from 80.4 to 99.1 with an average of 92.3. The Black Country Programme performance is 97.1%, the fourth highest performing of the 41 programmes across the country.
- Abdominal aortic aneurysm screening – coverage of quarterly surveillance screen (the proportion of quarterly surveillance appointments due where there is a conclusive test within four weeks of the due date) the national percentage performance ranges from 84.3 to 98.2 with an average of 92.4. The Black Country Programme performance is 95.4%, the eighth highest performing of the 41 programmes across the country.

## Clinical effectiveness measures

	Actual 2014/15	Actual 2015/16	Actual 2016/17	Actual 2017/18	Actual 2018/19
<b>Trust readmission rate for Medicine and Integrated Care Division Vs. National peer group (acute and specialist trusts)</b> Source: UHB Hospital Healthcare Evaluation Data (HED)	8.78% Vs. 6.38%	8.82% Vs. 8.39%	10.37% Vs. 9.38%	8.76% Vs. 9.30%	8.73%** Vs. 9.24%**
<b>Number of cardiac arrests***</b> Source: Logged switchboard calls	189	144	136	118	97
<b>% of patients admitted as emergency for fractured neck of femur operated on within 36 hours Vs. National average+</b> Source: NHFD (National Hip Fracture Database)	-	82.3% Vs. 73.8%	82.5% Vs. 71.7%	80.5% Vs. 70.4%	84.0% Vs. 70.8%

\* These updated figures are for the whole year. Last year's report included the figures available at the time of printing.

\*\* Both Trust and National Peer Figures are April 2018 to January 2019, the latest HES period available.

+ This indicator was amended from 48 to 36 hours in line with the more recent national target. Both Trust and national average figures are April 2018 to November 2018, the latest period available.

\*\*\* For this indicator, benchmarking data is not available.



# Our performance against the thresholds set out in the Risk Assessment and Single Oversight Frameworks of NHS Improvement\*

	Trust 2014/15	Trust 2015/16	Trust 2016/17	Trust 2017/18	Target 2018/19	National 2018/19*	Trust 2018/19	Target Achieved?
Maximum time of 18 weeks from point of referral to treatment (RTT) in aggregate – patients on an incomplete pathway	95.43%	95.06%	95.43%	94.0%	92%	+	93.64%	☺
A&E: maximum waiting time of 4 hours from arrival to admission, transfer, discharge <sup>Ⓐ</sup>	94.68%	98.18%	94.16%	86.56%	95%	88%	83.96% <sup>Ⓐ</sup>	☹
All cancers: 62 day wait for first treatment from urgent GP referral for suspected cancer <sup>Ⓐ</sup>	85.6%	84.3%	85.3%	86.3%	85%	79.1%	82.9% <sup>Ⓐ</sup>	☹
All cancers: 62 day wait for first treatment from NHS Cancer Screening Service referral	97.3%	96.2%	98.2%	98.3%	90%	88.1%	98.1%	☺
Maximum 6 week wait for diagnostic procedures	97.75%	98.97%	97.41%	97.86%	99%	97.3%	98.82%	☹
Venous Thrombolism (VTE) Risk Assessment	95.33%	95.96%	94.75%	93.38%	95%	95.6%	94.89%	☹

\* Thresholds are also set out for two other indicators the data of which can be found in the following sections: see page 190 and pages 150 and 194.

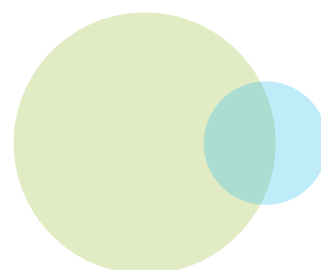
\*\*2018/19 National Figures taken from NHS Statistics and Cancer Waiting Times Database (quarterly figures averaged)

+ National figures are not available

☺ = Target achieved

☹ = Target not achieved

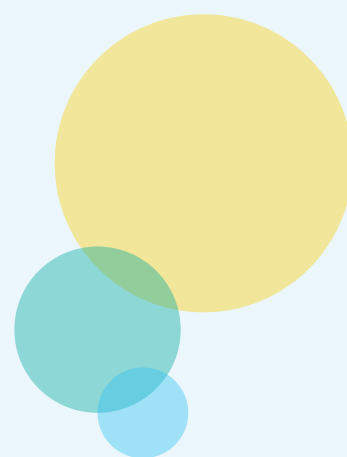
Ⓐ = Data quality tested by external auditors (see below). For the A&E waiting time indicator, the testing undertaken was on the Trust's accident and emergency department data (figure 74.15%), while the stated figure also includes the performance of the urgent care centre as required for national reporting





# Glossary of terms

A&E	Accident and Emergency (also known as ED)
AAA	Abdominal Aortic Aneurysm
AKI	Acute Kidney Disease
ANP	Advance Nurse Practitioner
App	A computing application, especially as downloaded by a user to a mobile device
Bed Days	Unit used to calculate the availability and use of beds over time
BFI	Baby Friendly Initiative
CAMHS	Child and Adult Mental Health Service
C. diff	Clostridium difficile (C. difficile)
CCG	Clinical Commissioning Group
CNS	Clinical Nurse Specialist
CPR	Cardio Pulmonary Resuscitation
CQC	Care Quality Commission
CQUIN	Commissioning for Quality and Innovation payment framework
CT	Computed Tomography
CTG	Cardiotocograph
DATIX	Company name of incident management system
DNACPR	Do Not Attempt Cardio Pulmonary Resuscitation
DVD	Optical disc storage format
DVT	Deep Vein Thrombosis
EAU	Emergency Assessment Unit
ECG	Electrocardiograph
ED	Emergency Department (also known as A&E)
EmLap	High Risk Emergency Laparotomy Pathway
ENT	Ear, Nose and Throat
FCE	Full Consultant Episode (measure of a stay in hospital)
FFT	Friends and Family Test
FY1/FY2	Foundation Year Doctors
GI	Gastrointestinal
GMC	General Medical Council
GP	General Practitioner
HCAI	Healthcare Associated Infections
HDU	High Dependency Unit
HED	Healthcare Evaluation Data
HES	Hospital Episode Statistics
HPA	Health Protection Agency, now called Public Health England
HQIP	Healthcare Quality Improvement Partnership
HSCIC	Health and Social Care Information Centre
ICNARC	Intensive Care National Audit & Research Centre





IDDSI	International Dysphagia Diet Standardisation Initiative
IPC	Infection Prevention and Control
IPCS	Intermittent Pneumatic Compression
ISO	International Organization for Standardization
KPI	Key Performance Indicator
LocSSIPs	Local Safety Standards for Invasive Procedures
MBC	Metropolitan Borough Council
MCP	Multispecialty Community Provider
MDT	Multidisciplinary Team
MRI	Magnetic Resonance Imaging
MRSA	Methicillin-resistant Staphylococcus aureus
MUST	Malnutrition Universal Screening Tool
NatSSIPs	National Safety Standards for Invasive Procedures
NBM	Nil By Mouth
NCEPOD	National Confidential Enquiry into Patient Outcome and Death
NEWS	National Early Warning System
NHSI	NHS Improvement
NICE	National Institute for Health and Care Excellence
NMC	Nursing and Midwifery Council
NPSA	National Patient Safety Agency
NRSA	National Research Service Award
NVQ	National Vocational Qualification
PFI	Private Finance Initiative
PHE	Public Health England
PLACE	Patient-led Assessments of the Care Environment
PROMs	Patient Reported Outcome Measures
RAG	Red/Amber/Green
RCA	Root Cause Analysis investigation
RCPCH	Royal College of Paediatrics and Child Health
SHMI	Summary Hospital-level Mortality Indicator
SMS	Short Message Service is a text messaging service
STEIS	Strategic Executive Information System is the national database for serious incidents
SUS	Secondary Uses Service
TTO	To take out medications once discharged as an inpatient
UNICEF	United Nations Children's Fund
VTE	Venous Thromboembolism
WHO	World Health Organisation
YTD	Year To Date

# Annex

## Comment from the Trust's Council of Governors (received 09/04/2019)

The Council of Governors has reviewed the 2018/19 Quality Account and acknowledges the Trust's continued focus on delivering high quality, safe and effective services. The Council of Governors fully supports the chief executive's statement in the initial section of this report.

The governors have maintained a close working relationship with the non-executive directors in holding them to account for the performance of the Trust in a year that saw a sustained increase in demand on resources. There has been a particular focus on its registrations and CQC reviews. It was evident that whilst there were many areas in which the Trust was performing well, there were others such as the Emergency Department (ED) that were performing below the national average. The CQC inspection made several recommendations for improvements in ED including patient assessment within 15 minutes of arrival to triage, improved management of patients with suspected sepsis, staffing levels, staffing and safeguarding processes. Governors have been assured that the action plans developed to address the recommendations are having a positive impact and have received regular updates.

The Quality Priorities agreed for 2018/19 were selected due to their importance from a local perspective, patient feedback, the national perspective and reports from national bodies and endorsed by the council. The Council of Governors are disappointed that there are some priority targets that have not been achieved and are supportive of the selection of the Quality Priorities for 2019/20. These will maintain a focus on areas for improvement. Governors have noted the good performance against one of the infection control targets and acknowledge the reduction in the total number of C. difficile cases in 2018/19. We are disappointed by the single incidence of MRSA bacteraemia but recognise the hard work of

all staff involved. Similarly, the council have noted the absence of avoidable category 4 pressure ulcers across the Trust and the significant reduction in avoidable category 4 ulcers in the community. We note that all of the nutrition/hydration targets have not been met and we are pleased that further work will continue during 2019/20.

The council have also monitored the performance against the new priorities selected for 2018/19 including medications, discharge and incident reporting and note the progress made in regular updates received in both the full council and council committee meetings.

Governors take assurance from regular updates on performance related issues and are able to provide challenge to the board where appropriate with the governing body actively encouraged to query, question and ask for clarifications as necessary. The council are content that there is also sufficient opportunity to triangulate the reports received with regular participation in Quality & Safety Reviews, other audit activity, continued membership of Trust working groups and presentations from stakeholders on topical items.

During the year, governors have had confidence in the commitment of the Trust to support its workforce and have received regular updates on recruitment and retention initiatives and the many ways that a refreshed staff engagement project is supporting staff across the Trust.

The council are proud of the national recognition received by the Trust with awards for improvement projects including the MBE awarded to the Trust's neurology specialist pharmacist for her work in pharmacy for Parkinson's patients and the Nursing Times Award 2018 to support our patients with learning difficulties. Governors also support the Trust's annual Committed to Excellence Awards that celebrate the achievements of individual staff and teams across the Trust.

We have actively engaged and participated in a range of other events including 'Meet and Greet' sessions in the Russells Hall Hospital main reception as well as 'out and about' attending the Dudley Public Healthcare forums, Dementia Friends training and attending community and support groups in the Dudley borough, all of which provide an opportunity to gain feedback directly from patients and their families and carers.

We have been able to draw on the feedback received and were closely involved with developing the Trust's strategy for 2019/21. This included regular workshops held in conjunction with the board with particular emphasis on the sustainability of the Trust whilst meeting the challenge of delivering safe and effective services. The council are assured that the Trust remains a learning organisation with a strong focus on maintaining the highest standards for both patients and staff. We once again want to place on record our recognition of the staff who demonstrate their ongoing commitment to delivering high levels of care.

### **Comment from the Dudley Clinical Commissioning Group (received 09/04/2019)**

We are pleased to comment on the Trust's 2018/19 Quality Account.

It was disappointing to learn that it was necessary for the Care Quality Commission (CQC) to issue a rating of Requires Improvement to the Trust in April 2018 (following a series of visits and inspections between December 2017 and January 2018). We also acknowledge the focus which has been placed on the Trust's Emergency Department (ED) following the publication of the CQC rating, which rated the ED to be Inadequate. The CCG has played a key role in joint oversight and monitoring with the Trust's regulators of the comprehensive improvement plan which was developed by the Trust. This included review of weekly data submitted by the Trust, regular meetings, and providing resources and support where we could help. We acknowledge that DGFT set themselves ambitious targets as part of the improvement plan and there has clearly been commitment towards achieving these and we are currently waiting for the outcome of the CQC's latest visit to the Trust.

The Trust has also demonstrated a clear commitment to learning from incidents and mortality, and it is encouraging to see the improvements which have been made as a result of revised and newly embedded processes. This work has been supported by external review which highlighted cross-economy improvements which need to be made, and we welcome the opportunity to continue this work with other partners.

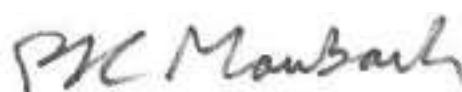
We also recognise the focus which has been placed on how sepsis is identified, including the introduction of a new electronic system to support this.

A review of governance processes (with colleagues from NHS Improvement) resulted in the Trust developing a robust action plan, reinforcing the positive collaborative work with an improved focus on outcomes and learning. We have also seen a significant improvement relating to a reduction in the number, and severity, of patient falls.

We consider that opportunities remain for the improvement of patient experience relating to both the Friends & Family Test and responsiveness to complaints. We are particularly concerned that the results from the Trust's staff survey have deteriorated and this will need to be a priority for the Trust in the coming year.

The Trust has continued to achieve a reduction in the number of patients with Clostridium difficile during 2018 but has unfortunately had one case of MRSA. We welcome the significant efforts which have been made by the Trust to increase the number of staff who receive flu vaccinations.

The Trust remains an integral part of our plans to introduce a new Multispecialty Community Provider (MCP) in Dudley, which the whole system agrees will be a key part of our shared strategy for reducing the pressure on urgent care services at the hospital and delivering better coordinated care in the community.



**Paul Maubach**  
**Chief Accountable Officer**  
**Dudley CCG**

## Comment from Healthwatch Dudley (received 08/04/2019)

Healthwatch Dudley has reviewed the Quality Report and Accounts 2018/19 for Dudley Group NHS Foundation Trust.

We have continued our work with the Trust to ensure people have their views heard and to ensure there are opportunities for people to express any concerns they may have in relation to care they receive, we are pleased therefore to see patient experience as a high priority for the Trust.

It is disappointing to read the results of the Family and Friend Test (FFT), to see patient experience has only been partially achieved over the last five year period and we are keen to work with the Trust to see this improve.

The average positive results reported from the FFT test across maternity services is pleasing to see however it remains a concern to see little improvement in the A&E department despite all the efforts of the Trust to improve patient experience in this busy department. Hopefully the major investment being made to improve the emergency care facilities and environment will enable an overall better experience for local people and we would welcome the opportunity to continue to work with the Trust to see improvement in the year ahead.

We continue to support the Patient Experience Group, working to support the Trust to focus on areas of continuous improvements for patients using many indicators to identify where improvements need to be made, and to celebrate where patients share good news stories and experiences.

We can see that the Trust are using new methods to encourage more patient feedback and we would support the developments planned for the coming year that will hopefully yield an increase in feedback from which the Trust can continue to improve overall experience for people using their services.

Healthwatch Dudley and teams of volunteers have been positively engaged with the Trust throughout 2018/19 in activities around a number of issues including Children's Emergency and Paediatrics Departments and Patient Panel for Accessibility, so that the views of local people and their real time experiences can influence decision makers in the Trust to shape service delivery around the needs of people.

We also continue to respond to invitations for our volunteers to be involved in the PLACE and mini PLACE sessions, and Tea and Chat sessions.

Healthwatch Dudley is passionate about the Trust achieving the highest quality in all areas and will continue to support in any way possible, to ensure that everyone is encouraged to provide feedback so we can all learn what is important to people.

It is reassuring to see new targets for specific areas with clear lines of accountability for achieving them.

**Andrea Crew**  
Chief Officer  
Healthwatch Dudley

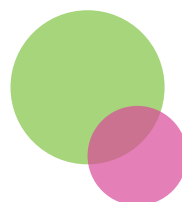
03000 111 001

07943 394964

[andrea@healthwatchdudley.co.uk](mailto:andrea@healthwatchdudley.co.uk)

[www.healthwatchdudley.co.uk](http://www.healthwatchdudley.co.uk)

**healthwatch**  
Dudley





## Comment from Dudley MBC Health and Adult Social Care Scrutiny Committee (received 26/04/2019)

The committee welcomes the opportunity to comment on the draft Quality Report and Accounts for Dudley Group NHS Foundation Trust.

In light of the findings from the Care Quality Commission inspections of the Emergency Department (ED) the committee are pleased to hear that an independent review of mortality in the ED has been undertaken. The committee is keen to hear of the progress made as a result of implementing the recommendations from the independent review, and looks forward to seeing evidence of further improvements next year.

The committee notes that the objective in respect of discharge management has been partially achieved and that delays in respect of 'to take out' medications were being addressed to improve timely dispersal of medication. The committee hopes to see greater progress with this during 2019/20.

In referring to the priority in relation to nutrition, the committee is pleased to see an improvement in the choice of food available to patients, as a result of a review in food suppliers. The committee expects to see the Malnutrition Universal Screening Tool (MUST) used to assess 95% of patients when reviewing the quality report next year.

The committee is pleased to hear that the chief executive personally led the MRSA infection prevention incident, and understands that the quality of information within the root cause analysis (RCA) and the action plan, reflected this high level engagement. The committee would be keen to receive an update on the implementation of the recommendations from the RCA and to understand whether they have prevented further infection control incidents.

The committee welcomes the support given by Dudley Group NHS Foundation Trust with other local health economy partners to the implementation of the catheter passport. This is an important way of preventing infections. The committee hopes to see this system wide approach being applied to other infection prevention and control priorities.

The committee looks forward to continuing to work with the Trust to ensure that communities have access to safe and high quality services when needed.



# Statement of directors' responsibilities in respect of the Quality Report 2018/19

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.

NHS Improvement 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.

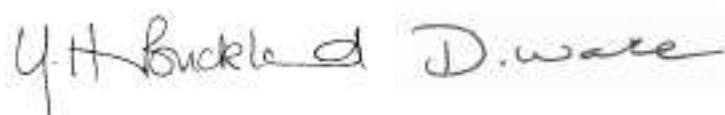
In preparing the Quality Report, directors are required to take steps to satisfy themselves that:

- the content of the Quality Report meets the requirements set out in the NHS Foundation Trust annual reporting manual 2018/19 and supporting guidance Detailed requirements for quality reports 2018/19
- the content of the Quality Report is not inconsistent with internal and external sources of information including:
  - board minutes and papers for the period April 2018 to May 2019
  - papers relating to quality reported to the board over the period April 2018 to May 2019
  - feedback from commissioners dated 9/04/2019
  - feedback from governors dated 9/04/2019
  - feedback from Dudley Healthwatch dated 8/04/2019
  - the Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 16th May 2019
  - the national patient survey was published May 2017
  - the latest national staff survey 2018

- the Head of Internal Audit's annual opinion of the Trust's control environment dated 22/05/19
- CQC inspection report dated April 2018
- 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
- the Quality Report has been prepared in accordance with NHS Improvement's annual reporting manual and supporting guidance (which incorporates the Quality Accounts regulations) as well as the standards to support data quality for the preparation of the Quality Report.

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



**Signed**

**Date: 22nd May 2019**

**Dame Yve Buckland**  
**Chairman**

**Signed**

**Date: 22nd May 2019**

**Diane Wake**  
**Chief Executive**



## **Independent Auditors' Limited Assurance Report to the Council of Governors of The Dudley Group NHS Foundation Trust on the Annual Quality Report**

We have been engaged by the Council of Governors of The Dudley Group NHS Foundation Trust to perform an independent assurance engagement in respect of The Dudley Group NHS Foundation Trust's Quality Report for the year ended 31 March 2019 (the 'Quality Report') and specified performance indicators contained therein.

### **Scope and subject matter**

The indicators for the year ended 31 March 2019 subject to limited assurance (the "specified indicators") marked with the symbol **A** in the Quality Report, consist of the following national priority indicators as mandated by Monitor (operating as NHS Improvement) ("NHSI"):

<i><b>Specified Indicators</b></i>	<i><b>Specified indicators criteria</b></i>
Percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge.	Section 3.5 Our performance against the thresholds set out in the Risk Assessment and Single Oversight Frameworks of NHS Improvement
Maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers.	Section 3.5 Our performance against the thresholds set out in the Risk Assessment and Single Oversight Frameworks of NHS Improvement

### **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 NHS Foundation Trust Annual Reporting Manual ("FT ARM") and the 'Detailed requirements for quality reports 2018/19' issued by NHSI. The Directors are also responsible for the conformity of the specified indicators criteria with the assessment criteria set out in the FT ARM and the 'Detailed requirements for external assurance for quality reports 2018/19' issued by NHSI and for reporting the specified indicators in accordance with those criteria, as referred to on the pages of the Quality Report listed above.

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 the FT ARM and the 'Detailed requirements for quality reports 2018/19';
- 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 set out in the FT ARM and the 'Detailed requirements for external assurance for quality reports 2018/19'.

We read the Quality Report and consider whether it addresses the content requirements of the FT ARM and the 'Detailed requirements for quality reports 2018/19'; 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 consistent with the following documents:

- Board minutes for the financial year, April 2018 and up to the date of signing this limited assurance report ("the period");
- Papers relating to quality reported to the Board over the period April 2018 to the date of signing this limited assurance report;
- Feedback from the Commissioners Dudley Clinical Commissioning Group dated 9 April 2019;
- Feedback from Governors dated 9 April 2019;
- Feedback from local Healthwatch organisation Healthwatch Dudley dated 8 April 2019;
- Feedback from the Overview and Scrutiny Committee Dudley Metropolitan Borough Council Health and Adult Social Care Scrutiny Committee dated 26 April 2019;
- The Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 2018/19;
- The latest national patient survey dated 28 May 2018;
- The latest national staff survey dated 2018;
- Care Quality Commission inspection report, dated 18 April 2018;
- The Head of Internal Audit's annual opinion over the Trust's control environment dated 22 May 2019.

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.

### **Our Independence and Quality Control**

We complied with the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. We apply International Standard on Quality Control (UK) 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Use and distribution of the report**

This report, including the conclusion, has been prepared solely for the Council of Governors of The Dudley Group NHS Foundation Trust as a body, to assist the Council of Governors in reporting The Dudley Group 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 2019, 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 The Dudley Group 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 (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('ISAE 3000 (Revised)'). Our limited assurance procedures included:

- Reviewing the content of the Quality Report against the requirements of the FT ARM and the 'Detailed requirements for quality reports 2018/19';
- 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 Dudley Group 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 criteria set out in the FT ARM and 'Detailed requirements for quality reports 2018/19'.

The nature, form and content required of Quality Reports are determined by NHSI. 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 The Dudley Group NHS Foundation Trust.



### **Basis for Disclaimer of Conclusion - Percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge**

Under NHSI's guidance for "the Percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge", there is provision for a Trust to report combined figures for itself and any co-located independent service provider operating alongside the Trust. The Dudley Group NHS Foundation Trust chooses to do this by reporting its own figures for its Type 1 A&E facility combined with Malling Health's figures for the Type 3 Urgent Care Centre. Attendances at the Urgent Care Centre account for 38.43% of the patients reported by the Trust during the year. The Trust and Malling Health cannot access each other's systems. We have been unable to access Malling Health's data and therefore cannot form a view on the accuracy of the reporting for Type 3 activity.

In addition to the point above, NHSI's guidance sets out that patient activity should only be recorded by one of the two providers when combined figures are reported. The Trust and Malling Health refer patients between each other, making adjustments for clock starts and stop times, but may consequently be double counting attendances where the patient is recorded in both the Trust's, and Malling Health's data. We have been unable to access Malling Health's data and therefore cannot form a view on whether the double counting of attendances in the Trust's and Malling Health's data has occurred.

We also found that start clocks for ambulance arrivals are not being captured accurately. NHSI's definition for "the Percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge" specifies that the clock start time for patients arriving by ambulance is when hand over occurs, or 15 minutes after the ambulance arrives at A&E, whichever is earlier.

The Trust receives data from the Ambulance Trust on ambulance arrival times; however, because of issues with the completeness and accuracy of the data received, the Trust is unable to determine the ambulance arrival time (plus 15 minutes) for each patient arriving by ambulance. The Trust's methodology is to calculate the arrival time for ambulance patients by taking the earlier of triage time, and 15 minutes after patients arrive in A&E with ambulance paramedics. Consequently, the Trust has been unable to demonstrate that, for 2018/19, by not using the ambulance arrival time plus 15 minutes, overall reported performance is not impacted. The total number of arrivals by ambulance is 23.31% of patients who attended the Trust's A&E during 2018/19.

In addition to the points above, our testing found one instance where the stop clock for a patient was recorded as the medical discharge time, rather than the physical discharge time from A&E. NHSI's guidance is that the stop clock is when a patient leaves A&E. This resulted in the instance being incorrectly recorded as a patient who had a total time in A&E of four hours or less from arrival to admission, transfer or discharge.

### **Disclaimer of conclusion/Qualified conclusion**

Because the data required to support the "Percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge" 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 indicator.

Nothing has come to our attention that causes us to believe that for the year ended 31 March 2019:

- The Quality Report does not incorporate the matters required to be reported on as specified in the FT ARM and the 'Detailed requirements for quality reports 2018/19';
- The Quality Report is not consistent in all material respects with the documents specified above; and

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- The Quality Report is not consistent in all material respects with the documents specified above; and

- The specified indicator Maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers has not been prepared in all material respects in accordance with the criteria set out in the FT ARM and the 'Detailed requirements for external assurance for quality reports 2018/19.'

*PricewaterhouseCoopers LLP.*

**PricewaterhouseCoopers LLP**

Cornwall Court  
19 Cornwall Street  
Birmingham  
B3 2DT

Date: 29 May 2019

The maintenance and integrity of The Dudley Group 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.



If you would like this letter or information in an alternative language or format, for example in large print or easy read, or if you need help with communicating with us, for example because you use British Sign Language, please let us know. You can call us on 0800 073 0510 or email [PALs@dgh.nhs.uk](mailto:PALs@dgh.nhs.uk) or write to Patient Advice and Liaison Service.

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Jeżeli chcą Państwo otrzymać ten list lub jakieś informacje w innym języku lub formie, np. wydrukowany dużym drukiem lub w wersji uproszczonej bądź jeżeli potrzebują pomocy w komunikacji z nami, np. ponieważ używają brytyjskiego języka migowego, prosimy dać nam znać. Można do nas zadzwonić pod numer 0800 073 0510, wysłać nam e-mail [PALs@dgh.nhs.uk](mailto:PALs@dgh.nhs.uk) lub napisać do Biura Porad dla Pacjentów (ang. Patient Advice and Liaison Service – PALS).

ਜੇਤੁ ਸੀ ਇਹ ਚਿੱਠੀ ਜਾਂ ਜਾਣਕਾਰੀ ਕਿਸੇਬ ਦਲਵੀ ਭਾਸ਼ਾ ਜਾਂ ਰੂਪ ਵਿੱਚ ਲੈਣੀ ਚਾਹੇ, ਉਦਾਹਰਨ ਲਈ ਵੱਡੇ ਅੱਖਰਾਂ ਵਿੱਚ ਜਾਂ ਆਸਾਨੀ ਨਾਲ ਪੜ੍ਹੇ ਜਾ ਸਕਣ ਵਾਲੇ ਰੂਪ ਵਿੱਚ, ਜਾਂ ਜੇਤੁ ਹਾਨੂੰ 'ਡੈਨ' 'ਲ ਗੱਲਬਾਤ ਕਰਨ ਵਿੱਚ ਮਦਦ ਚਾਹੀਦੀ ਹੋਵੇ ਉਦਾਹਰਨ ਲਈ ਕਿਉਂਕਿ ਤੁਸੀਂ ਬ੍ਰਿਟਿਸ਼ ਸਾਈਨ ਲੈਂਗਵੇਜ਼ ਦੀ ਵਰਤੋਂ ਕਰਦੇ ਹੋ, ਤਾਂ ਕਿਰਪਾ ਕਰਕੇਸ 'ਨੂੰ 'ਸੋ। ਤੁਸੀਂ ਸਾਨੂੰ 0800 073 0510 'ਤੇ ਕਾਲ ਕਰ ਸਕਦੇ ਹੋ ਜਾਂ ' [PALs@dgh.nhs.uk](mailto:PALs@dgh.nhs.uk) 'ਤੇ ਈਮੇਲ ਕਰ ਸਕਦੇ ਹੋ ਜਾਂ ' ਪੇਸ਼ੇਂਟ ਐਡਵਾਇਸ ਐਂਡ ਲਿਏਜਨ ਸਰਵਿਸ ਨੂੰ 'ਤਰ ਲਿਖ ਸਕਦੇ ਹੋ।

Dacă doriți să primiți această scrisoare sau aceste informații într-o altă limbă sau într-un format alternativ (de exemplu, tipărit mare sau text simplificat) sau dacă aveți nevoie de ajutor pentru a comunica cu noi (de exemplu, pentru că aveți nevoie de un interpret în limbajul semnelor), vă rugăm să ne anunțați. Puteti să ne sunați la numărul de telefon 0800 073 0510 sau ne puteți trimite un e-mail la adresa [PALs@dgh.nhs.uk](mailto:PALs@dgh.nhs.uk); alternativ, puteți scrie Serviciului de Consultanță și Legatură pentru Pacienți.

اگر آپ کو یہ خط یا معلومات کسی متبادل زبان یا فارمیٹ میں، مثلاً بڑے حروف یا پڑھنے میں آسان متن درکار ہو یا آپ کو ہمارے ساتھ ابلاغ میں مدد درکار ہو مثلاً اگر آپ برٹش سائن لینگویج استعمال کرتے ہوں، تو برائے مہربانی ہمیں بتائیں۔ ہمیں آپ 0510 073 0800 پر کال کر سکتے ہیں یا [PALs@dgh.nhs.uk](mailto:PALs@dgh.nhs.uk) پر ہمیں ای میل بھیجیں یا پشمنٹ ایٹوانس اینڈ لیزان سروس کو خط لکھیں۔







**The Dudley Group**  
NHS Foundation Trust

