

University Hospitals  
of North Midlands



NHS Trust



# Annual Report 2015/16



# Foreword

Our staff took a moment to celebrate the Trust's first anniversary on 1 November 2015 during what has been a truly remarkable year. This Trust was created following a record investment of £250m to bring two acute hospitals together. Over these past 12 months we've been making good on our commitment to transform health services in Staffordshire and ensure the stability and future resilience of health services in this part of the country.

The hard work of all of our staff is bringing real change to clinical services, most notable at County Hospital, where we have launched a new MRI Unit, a new Renal Unit and started work to refurbish the wards and the A&E department to make for a more vibrant modern local hospital.

At Royal Stoke University Hospital we have been meeting the challenge of delivering good quality care for a region covering more than three million people. The overall theme of the year is one of growing demand for our services, be that emergency care or for elective treatments. We're delighted that our hospitals are where patients chose to receive their care, and we expect this to continue in ever larger numbers.

But with demand comes expectation. We must meet the expectations of our patients, and in the isolated areas where we have not been able to do this, we have apologised and put in place measures that will allow us to do so in the future. It is our commitment to you that this 12,000 person strong Trust will always meet challenges head on and not rest until we achieve our vision and goals.

Part of our vision has been to create 'A New Kind of Trust' where clinicians nationally and internationally want to learn work and research. Over the course of the year our staff have scaled

wonderful heights, none more so than Mandie Burston, a Major Trauma nurse who won the prestigious Nurse of the Year Award at the Nursing Standard Awards for her work in raising awareness of domestic violence, a humbling achievement given the impact of domestic violence.

Our staff have said that not only would they recommend the Trust as a place to work, they would want their friends and relatives to be treated here to. There can be no higher compliment than those who provide the services putting trust in them for their own families. To help staff we're placing more and more emphasis on leadership, team development and organisational development.

Elsewhere we've continued to train the nurses and doctors of the future in partnership with Keele University and Staffordshire University. We must never lose sight of our obligation to the next generation who will one day guide the NHS through the challenges to come. We've also been playing our part in the community, offering apprenticeships, work experience and careers advice.

As a Trust Board we are not only looking at the current services, we're looking to the future. We're using technology more and more to bring patients and clinicians closer together. We've embraced research and we continue to support its growth as we recognise its importance in attracting excellent clinicians to the Trust.

We've made great strides as a Trust in our first full year. Our commitment to you is to build on our many achievements, reflect when we have fallen short of the ambitious goals we have set ourselves and always put the healthcare needs of you and your family first.

John MacDonald  
**Chairman**

Mr Robert Courteney-Harris  
**Chief Executive**

# 2025Vision

*Being a place our families would choose*

## 2025Vision Statement

Our goal is to become one of the top university teaching hospitals in the UK by 2025. We will constantly improve patient care and foster innovation in the organisation, which exceeds the expectations of patients and meets the needs of commissioners and providers who work with us.

At the same time we will offer a more attractive place to work, learn and research because we will focus on excellence and help to spread this to our patients. We need to be rated by our customers as consistently excellent in everything we do. Achieving this ambition will challenge us to grow our income and reduce costs by 5-7% of turnover so we can re-invest in the organisation each year to meet our organisational and clinical aspirations.

We will be changing our traditional district general hospital services and become more externally focused throughout the organisation in order to grow our inter-specialised and regional services to the population of the Northern West Midlands, Cheshire, Derbyshire and Wales.

We will provide the services our customers need instead of simply delivering services we have always provided. This will mean we will see significant changes to the way our care will be delivered to local patients. We will be relying less on inpatient care and more on working across the whole care pathway for patients who have urgent and emergency care needs.

To do this we will continue to deliver outstanding inpatient care for local people. But we will need to move towards outpatient clinics at home or through rapid diagnosis, treatment and observation to meet the needs of patients and commissioners, which will be more integrated with other providers. We will see the development of day case and inpatient elective work being delivered through a series of elective centres in key sites around the Trust, which we will partner with other providers or manage the outcomes.

The Royal Stoke University Hospital will become a truly specialised hospital offering emergency care for our local population, in a defined local and regional emergency network, in its role as a major emergency and trauma centre. In addition, it will become a hub for complex medical and surgical interventions for routine and emergency work for adults and children alike.

We will develop County Hospital as a modern, local hospital offering local emergency care networked with the Royal Stoke. It will do this along with outstanding local elective and long-term condition care, integrated with community and primary care, to improve clinical and patient outcomes. We will work closely with Keele University and other academic institutions to build world-class research in key areas relevant to:

- The needs of our patients
- A research led culture
- Developing our reputation to become an outstanding teaching and training centre for the future generation of health professionals
- Fostering innovation and creativity by changing the way our organisation works.

We will have to become faster at delivery, more flexible, agile, less bureaucratic while ensuring excellence for our patients, commissioners and providers. We will achieve this by being true to our values and beliefs, focusing on the patient and becoming a clinically led and accountable trust. We will become a hospital that we would always choose for the care of our families. We believe that by working together and embracing change we can achieve our stated goals and the Trust will deliver its duties to the public and taxpayer.



# Contents

Our Values	5
1. Overview	6
1.1 Summary of the organisation	6
1.2 Organisations purpose	7
1.3 The UHNM year at a glance	8
1.4 Statement of purpose and key risks	12
1.5 National, regional and local monitoring	12
2. Performance Report	14
2.1 Performance Analysis	14
2.2 A place to work	20
2.3 A place to learn	27
2.4 A place to research and innovate	30
2.5 A part of our community	33
3. Accountability Report	36
3.1 Corporate Governance Report	36
3.2 Remuneration and Staff Report	41
Be efficient and financially stable	47
Summary financial statements	53
4. Annual Governance Statement	60
4.1 Scope of Responsibility	60
4.2 Governance Framework of the Organisation	60
4.3 Risk Assessment	67
4.4 The Risk and Control Framework	73
4.5 Review of the Effectiveness of Risk Management and Internal Control	75
4.6 Significant Issues	80



# Our Values

## Our Values, Behaviours and Standards

How we serve patients and their families, and how we work with colleagues in the Trust and beyond

Safety is our priority	Respect and dignity	Learn from experience	Working together and everyone counts
Keeping people safe Taking personal responsibility Leading with care Delivering the best outcomes	Compassion and kindness Going the extra mile Valuing diversity Protecting dignity	Giving and receiving feedback Always improving Championing learning and education Innovation and research	Promoting teamwork Working in partnership Involving and engaging Active listening

## We are ‘proud to care’

A patient is the most important person in our hospital. They are not an interruption to our work, they are the purpose of it. They are not an outsider in our hospital, they are part of it. We are not doing them a favour by serving them, they are doing us a favour by giving us an opportunity to do so.

We will be a leading centre in healthcare driven by excellence in patient experience, research, teaching and education

# 1. Overview

## 1.1 Summary of the organisation

University Hospitals of North Midlands NHS Trust (the Trust) is a statutory body which came into existence on 4 November 1992 under The North Staffordshire Hospital NHS Trust (Establishment) Order 1992 No 2559 (the Establishment Order). On the 1 April 2003, via order No 792, the name of the hospital was changed to the University Hospital of North Staffordshire NHS Trust. On 1 November 2014, the name of the hospital was changed to the University Hospitals of North Midlands NHS Trust.

- NHS Trusts are governed by statute, mainly the National Health Service Act 2006, as amended by the Health and Social Care Act 2012 (the 2006 Act) and the National Health Service Act 1977 (the 1977 Act and together with the 2006 Act, the NHS Acts).
- The functions of the Trust are conferred by this legislation.
- The Trust also has statutory powers to fund projects jointly planned with local authorities, voluntary organisations and other bodies.
- The Code of Accountability requires the Trust to adopt Standing Orders for the regulation of its proceedings and business. The Trust must also adopt Standing Financial Instructions (SFIs) as an integral part of Standing Orders setting out the responsibilities of individuals.
- The Trust will also be bound by such other statutes and legal provisions which govern the conduct of its affairs.

The Trust provides a full range of general acute hospital services for approximately 900,000 people locally in Staffordshire, South Cheshire and Shropshire. The Trust also provides specialised services for three million people in a wider area, including neighbouring counties and North Wales.

Our specialised services include cancer diagnosis and treatment, cardiothoracic surgery, neurosurgery, renal and dialysis services, neonatal intensive care, paediatric intensive

care, trauma, respiratory conditions, spinal surgery, upper gastro-intestinal surgery, complex orthopaedic surgery, laparoscopic surgery and the management of liver conditions.

More than 175,000 patients attended our A&E departments last year. Many emergency patients are brought to us from a wide area by both helicopter and land ambulance because of our Major Trauma Centre status.

Royal Stoke University Hospital, one of our two sites, is a large acute teaching hospital on the border of Stoke-on-Trent and Newcastle-under-Lyme in Staffordshire. Our other site is County Hospital in Stafford. We are one of the largest hospitals in the West Midlands and have one of the busiest emergency departments in the country. We have good transport links, being close to the M6 and A50, and lie centrally between Manchester to the North and Birmingham to the South. The Trust's hospitals have more than 1,400 inpatient beds.

The Royal Stoke University Hospital was rebuilt between 2009 and 2015 following a £370m private finance initiative (PFI) and the refurbishment of existing buildings. County Hospital is undergoing a three year £60m refurbishment as part of the integration of the two hospitals.

Our services are organised into six clinical divisions, each of which is made up of a number of individual directorates or departments. Our clinical divisions are Specialised, Surgery, Medicine, Children's, Women's and Diagnostics (CWD) and the Community and Partnerships Division. These are supported by Operations, Central Functions, Estates, Facilities and PFI and County Hospital divisions. Each division is led by an associate director, divisional chair, clinical directors of each directorate and an associate chief nurse. They are supported by a human resources manager and a finance manager.





## 1.2 Organisations purpose



University Hospitals of North Midlands NHS Trust, 'A New Kind of Trust', was created in 2014 with an investment of over £250m to bring together clinical services together in Stoke and Stafford. This was a moment of major, positive change for the people of Staffordshire and their local NHS. The substantial investment into NHS services in Staffordshire is enabling the Trust to expand and develop our hospitals to the very real benefit of local people.

Safety is our number one priority with safer care in better facilities, more follow up care in local settings and better access to specialist care. The investment of over £250m has already helped to fund a new freestanding midwife-led maternity unit, renal unit and MRI Scanner at County Hospital. Over the coming year the A&E will be doubled in space, the first two of the five new wards will open, a new chemotherapy unit will be created and outpatients will be refurbished. All of this means County Hospital is set to become a vibrant modern local hospital with increased number of patients and access to a wider range of consultants.

At Royal Stoke we have opened a new 28-bed children's ward, opened 120 new adult beds, created 12 new critical care beds, opened two new theatres and expanded patient and visitor car parking by 300 spaces. The creation of the

new Trust and the additional investment in NHS services is also helping us to recruit and retain permanent staff as the reputation of the Trust grows and more people want to work here.

The Trust is the regional specialist hospital within the North Midlands. It works in partnership with other acute hospitals in the region, such as Burton Hospitals NHS Foundation Trust, Shrewsbury and Telford Hospital NHS Trust and Mid Cheshire Hospitals NHS Foundation Trust. The Trust is also part of a health sector in Staffordshire and the surrounding areas, and works with the community provider Staffordshire and Stoke-on-Trent Partnership Trust and mental health provider Combined Healthcare NHS Trust. The Trust also works closely with West Midlands Ambulance Service and Midlands Air Ambulance.

Given the Trust's wide geographical reach, it works with a large number of clinical commissioning groups, but most notable Stoke-on-Trent CCG, North Staffordshire CCG and Stafford and Surrounds CCG. The Trust, as a specialist hospital, also works closely with the commissioners of specialised, NHS England. The Trust is also scrutinised by a number of local government bodies, namely Stoke-on-Trent City Council, Newcastle Borough Council, Staffordshire Moorlands District Council, Staffordshire Country Council and Stafford Borough Council

As a university hospital, UHNM works with Keele University and Staffordshire University, and has strong links with local colleges and schools.



## 1.3 The UHNM year at a glance

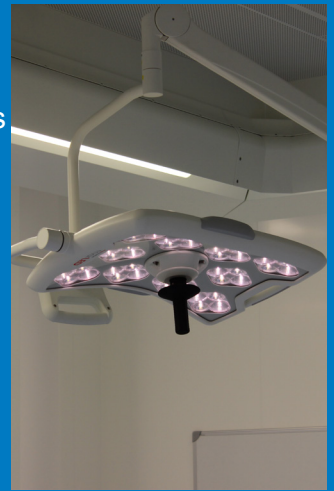
### April 2015

The Trust launched a new fruit and vegetable stall to promote healthy eating. Designed to promote healthy eating and offering exotic fruits as well as more traditional fare, the stand is a good influence presence at the hospital.



### July 2015

A new state-of-the-art theatre to treat patients requiring hip and knee operations opened at County Hospital. Gareth Hurley, Matron for Theatres, said: "Patients and staff will really see the benefits from this laminar flow 'clean air' theatre."



### May 2015

New services for children opened their doors at County Hospital in Stafford. A new Children's Emergency Centre providing urgent medical care from a team specialising in both emergency medicine and child health opened.



### August 2015

The Trust launched a new rapid access Royal Stoke MS Centre for Multiple Sclerosis patients. The Centre of Excellence now cares for 2,500 patients, which has increased by more than 60% in the last decade.



### June 2015

Staff at County Hospital's newly refurbished Women's Health Centre held an Open Day to showcase the upgraded facilities. Staff were on hand to give guided tours and explain the services that are now available.



### September 2015

The paediatric oncology team were rewarded for their work treating seriously ill children by Prince Harry. The team have won the prestigious WellChild Award after being nominated by two families.





## October 2015

The innovative Ambulatory Emergency Care unit opened at Royal Stoke for emergency patients. The £1m unit enables the Trust to provide timely same day emergency care and is a means of avoiding unnecessary hospital admissions.



## January 2016

A new £1.5m Unit for patients with eye problems opened at Royal Stoke University Hospital. The state-of-the-art Poswillo Cataract Suite is used by clinicians to perform eye surgery, including patients requiring surgery under local anaesthetic.



## November 2015

A new £3.2m satellite Renal Unit at County Hospital that provides the latest modern facilities for long-term dialysis treatment opened. Prof Gavin Russell, Associate Medical Director, said: "This is an exciting new development."



## February 2016

A new app which gives the public live waiting times at the Trust's A&E departments was launched. The app gives regular updates on urgent care services to ensure patients receive the most appropriate treatment as quickly as possible.



## December 2015

The catering facilities and services for patients at County Hospital were upgraded. The refurbished kitchens now provide patients with locally-sourced produce and greater choice.



## March 2016

Staff in infection control celebrated after vaccinating almost 7,000 staff, 75% of the whole workforce, against the potentially deadly flu virus this winter. Vaccinating against the flu protects staff members and ensures they don't pass the virus on to others.

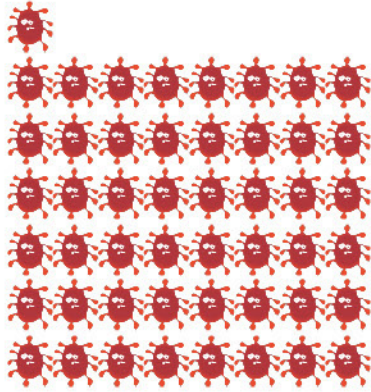




# Staff Flu Vaccination uptake



=100



Commissioner

Income

Wider population (inc. North Wales) 3,000,000

Local population 900,000



# Staff groups

# 68%

of staff say... "This is a research led Trust"



Nursing and Midwifery registered  
2,842 (30.85%)



Additional Clinical Services  
1,996 (21.67%)



Admin and Clerical  
1,784 (19.36%)



Medical and Dental  
1,056 (11.46%)



Estates and Ancillary  
496 (5.38%)



Allied Health Professionals  
430 (4.6%)

Shropshire CCG

£4m

Other CCGs

£39m



# Nationality of staff

9,336	UK & NI
369	India
323	Other
246	Philippines
61	Spain
54	Portugal
53	Pakistan
42	Ireland
32	Romania
29	Italy
27	Malaysia
25	Greece
24	Poland
21	Sri Lanka
15	Fiji
13	S. Africa
11	Germany
11	Egypt

Specialised/NHSE £171m

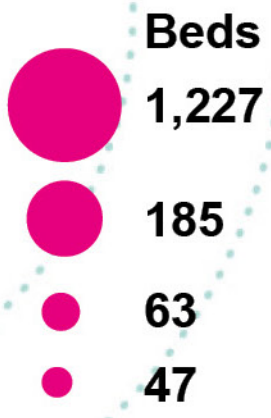
h Staffordshire CCG £97m

well  
tal  
CCG £144m

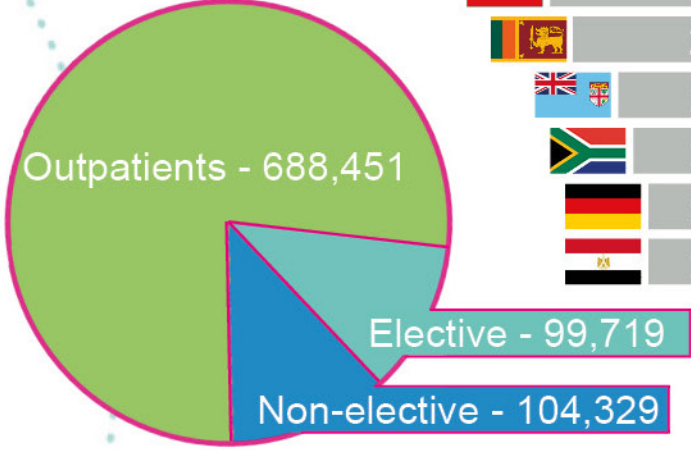
al  
ke  
Cheadle  
Hospital

s CCG £59m  
ounty  
ospital

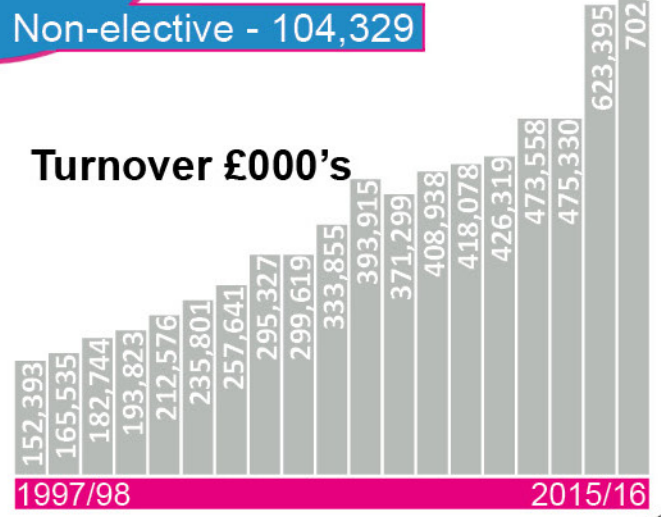
nnock Chase CCG £20m



## Total patients 2015/16



## Turnover £000's



## Royal Stoke A&E attendances

Helicopter 384

Walk-in 73,821

Ambulance 57,679

Health  
ionals  
67%)

Other staff groups  
612 (6.61%)



#### 1.4 Statement of purpose and key risks

UHNM Activity			
	2015/16 Forecast	2016/17 Plan	% increase
Elective	99,719	105,057	5.35%
Non- Elective	104,329	105,475	1.1%
Outpatients	688,451	691,646	0.46%

The Trust's aim is to deliver and sustain the access targets whilst maintaining quality and to return to financial surplus without compromising quality, and comply with NHS constitutional targets and compliance with quality standards set by CQC. The Trust is anticipating that demand for services will continue to grow in 2016/17 across elective, emergency and outpatients.

Within the Annual Governance Statement full details are provided of each of the 21 strategic risks for the Trust against each of the five strategic objectives agreed by the Trust Board as part of the Annual Plan for 2015/16. These strategic risks have to an extent prejudiced the achievement of the Trust's priorities for 2015/16. The risks impacting upon the achievement of the following strategic objectives have largely been mitigated to ensure that those objectives were not prejudiced:

- Delivering quality excellence for patients
- Achieve excellence in education, training and research

However, despite mitigating actions, there remain extreme risks against each of the other three strategic objectives that have prejudiced the achievement of the following objectives:

- Delivering our obligations to the taxpayer
- Create an integrated trust and develop strategic alliances with neighbouring trusts
- Create a resilient urgent and emergency care system and increase integrated healthcare provision

Continued actions are planned and included within the Trust's Operational Plan for 2016/17 and longer term Integrated Business Plan.

From 1 April 2016 the Trust assumed responsibility for 110 community beds and a contract of £3.2m for long-term condition community services. The Trusts workforce plans indicate that the additional activity and services will require the Trust to create 700 new roles, and a comprehensive recruitment drive is underway to achieve this.

To further improve the flow of patients through the hospital and meet the increased demand, the Trust is creating additional capacity. A reduction in length of stay by 2-3% will create an additional 30 beds and 15 new beds will open at County Hospital as part of the refurbishment. Productivity gains in theatres could release a further 4,000 cases per annum.

#### 1.5 National, regional and local monitoring

Clinical commissioning groups across the region commission services from the Trust. UHNM is also monitored by the NHS Improvement and the Care Quality Commission. In addition, the Shadow Council of Governors add another layer of governance and accountability

The first Care Quality Commission report on the new University Hospitals of the North Midlands NHS Trust said care for children and young people at Royal Stoke University Hospital is "outstanding". The report said: "We saw many examples of compassionate care, delivered in a timely and appropriate manner. We were particularly impressed with some of the care delivered to children at Royal Stoke where staff had gone that extra mile to care for children with long term conditions." The report followed an inspection conducted by the CQC in 2015.

Inspectors also picked out for particular praise the Specialised Neurological Unit at County Hospital, the Critical Care Unit, neonatal care staff and the





alcohol liaison team at Royal Stoke. The CQC said “We saw a number of outstanding examples of good care right across the Trust.”

In each hospital it inspects, the CQC makes assessments of safety, effectiveness, care, responsiveness and leadership in each of eight different service areas. The assessments are graded OUTSTANDING (top grade), GOOD, REQUIRES IMPROVEMENT or INADEQUATE.

Royal Stoke University Hospital received 18 Good or Outstanding assessments and three Inadequate assessments. County Hospital received 23 Good assessments and one Inadequate assessment. Overall the Trust was rated as Requiring Improvement. Approximately 60% of the Trusts inspected by the CQC have been rated as Requiring Improvement with others being assessed as either Good or Inadequate.

The CQC were highly complementary about the standard of care being delivered in Stoke and Stafford. It said: “Feedback from patients and relatives was positive about how the staff treated them. We found that people were treated with dignity, respect and kindness during their interactions with staff and they felt emotionally supported.”

The CQC rarely says that NHS Trusts are “outstanding” in any of the assessments it makes so staff at the Trust were particularly pleased and proud that the tremendous care they provide for children and young people had been recognised. It was especially good to see that every single service in both of the hospitals, Royal Stoke and County Hospital, were assessed as being Good or Outstanding for the care we deliver.

The CQC report also noted:

- The latest inpatient Friends and Family test rated the Trust above the England average.
- The latest rolling twelve month hospital mortality figures for County Hospital were better than the national average (99.58

compared with the average figure of 100) and mortality figures for Royal Stoke were significantly better than the national average (92.05 compared with the average figure of 100).

- The Trust has an effective incident reporting culture and that the most recent survey results indicated that staff were amongst the top 20% of acute trusts nationally who felt secure raising any concerns they may have.

The report also noted, however, that the Trust was continuing to face some tough challenges but the CQC concluded: “It was clear throughout our inspection that the Trust is committed to ensuring services meet the needs of local people and that many services are in a period of transition to achieve this.”

The CQC said the Trust should review the arrangements for patient flow through the emergency department at Royal Stoke, continue to work with local stakeholders to reduce the backlog of patients waiting for follow up outpatient appointments and ensure staff are fully up to date with key training programmes.

Should patients wish to hold the Trust to account themselves, the Trust follows the principles, set out by the Parliamentary and Health Service Ombudsman, which guides how public bodies provide remedies for injustice or hardship resulting from their maladministration or poor service. The six principles for remedy are:

1. Getting it right
2. Being customer focused
3. Being open and accountable
4. Acting fairly and proportionately
5. Putting things right
6. Seeking continuous improvement

The Trust does offer financial redress for reimbursement of costs incurred and the Chief Executive can authorise these payments. However, there is no national structure or guidance to support a system of payments.



# 2. Performance Report

## 2.1 Performance Analysis

### 2.1.1 Performance Summary

This is the first full year we have been able to report figures for University Hospitals of North Midlands. However, following the Trust's creation seven months into the 2014/15 year and the changes to the clinical services in 2014/15, it has not been possible to give a meaningful comparison of the new Trust's performance against previous years. This is mainly due to the in-year changes of the activities of the Mid Staffordshire NHS Foundation Trust (MSFT) being split between University Hospital of North Staffordshire NHS Trust (UHNS), the Royal Wolverhampton NHS Trust and Walsall Healthcare NHS Trust. Copies of previous annual reports are available at [www.uhnm.nhs.uk](http://www.uhnm.nhs.uk) and [www.midstaffs.nhs.uk](http://www.midstaffs.nhs.uk).

The overwhelming theme across the Trust was the demand for services at UHNM NHS Trust increased. The number of patients choosing the Trust for their treatment and care remained high, and the Trust in turn expanded services where possible to meet this demand. A clear indicator of this was the increase in outpatient appointments and additional day case procedures performed. The Trust has plans to increase the size and scale of its services and staff further and it is anticipated that these figures will continue to grow in 2016/17 as more patients continue to choose the services in the Trust. However, with an increase in patients, this reflected a real term increase in the number of people on waiting lists and those who have had operations cancelled.

Although the winter was relatively mild, these figures will have been further increased during the winter when the hospital had to use much of its capacity for emergency patients that required our care. This is most notable in the 82 instances where a patient had to wait more than 28 days for their operation to be re-arranged. The majority of these occurred during January and February 2016.

	2015/16
<b>Number of inpatients and day cases treated (in spells)</b>	
Elective inpatients	14,469
Elective day cases	79,004
Emergency inpatients	106,568
<b>Number of outpatients seen</b>	
New appointments	274,494
Follow up appointments	509,521
<b>Waiting lists</b>	
Total number on inpatient waiting list	9,098
Total number on outpatient waiting list	30,322
<b>Operations</b>	
Operations cancelled at short notice for non-clinical reasons	1,205
Not re-arranged within the target time of 28 days	82

The Trust worked hard to try to continue to meet its obligation to its cancer patients during 2015/16. The Trust achieved its commitment to see patients with two weeks from referral to first outpatient appointment.

	2015/16
<b>Cancer waiting targets (percentage of patients within target time)</b>	
2 week wait referral to first outpatient appointment (93% all cancers)	93.8%
31 day wait diagnosis to treatment (96% overall)	95.8%
62 day wait referral to treatment (85% overall)	75.0%

However, we were unable to meet the 62 day wait from GP referral to treatment Cancer Wait Time (CWT) standards for the year and the Trust apologised for this. The 31 day diagnosis to treatment was very close to being achieved following continuous delivery of the standard from July 2015 onwards. The main reason the 62 day wait referral to treatment was significantly below target was the high demand for emergency care and cancer services.



This year was an incredibly challenging year for the Emergency Centre team. The four-hour wait performance was significantly below the 95% target. The most powerful indicator of this was the number of patients waiting greater than 12 hour trolley waits to be treated or admitted. However, although more than 90 were recorded during the year, this was a vast improvement on the number from the previous winter.

	2015/16
Number of emergency attendances	176,385
A&E four-hour wait (target 95%)	78.4%

The A&E four-hour wait is a guide of how well the hospital and the local health economy of primary care, acute care and social care are working. In previous years the Trust has seen large increases in the number of patients attending the Emergency Centre, and these numbers coming through the door have explained the previous challenge of meeting the 95% target.

This year has still seen the number of attendances rise, but the number of these patients who require admission has continued to increase, with indications that this is up 15% above recent years. This is largely as a result of an ageing population of patients, many with multiple co-morbidities. This winter there were at times a 30% rise in patients admitted over 75-years-old.

The Trust is taking a number of actions and working more closely with its primary care and social care partners to increase bed capacity and improve discharges back into the community. This will further improve patient experience and satisfaction with the service, which has remained high despite longer waiting times.

The Trust has been working hard to make improvements to the Emergency Care Pathway. The Trust, along with local health economy partners, have taken the following actions:

- Established an Emergency and Urgent Care Improvement Programme Board, whose remit

- is to recommend and oversee the actions arising in relation to the delivery of the 12 high impact actions and associated activities detailed in the review. This is chaired by the Chief Executive and Chief Operating Officers
- Improved pathways between County Hospital and Royal Stoke University Hospital have been developed within the surgery and medicine divisions
- The MEDWAY system is being implemented for electronic records access across the hospitals
- Simple and timely discharge targets continue to overachieve
- An integrated home first culture - the Trust is discharging 92.4% of all patients, and 83% of patients >70 years of age to their usual place of residence
- A new larger discharge lounge opened in May 2015 and a new ward with 28 beds
- Home First initiative on exemplar wards has provided an opportunity to improve patient involvement and documentation based on feedback received.

The Trust has faced huge challenges in meeting the Referral to Treatment standard and did not achieve the 92% standard this year. There are a number of key specialties that are experiencing extreme pressures.

	2015/16
<b>Progress towards 18 week referral to treatment target</b>	
92% for incomplete pathways	<b>90.2%</b>

Trauma and Orthopaedics have been affected after a considerable amount of capacity was required for non-elective trauma demand. Neurosurgery was also affected by large numbers of patients requiring spinal surgery. Elsewhere General Surgery was affected by high demand from the initial cancer two week wait referrals. The total number of complaints at the Trust was 877, a reduction from previous years. However, contact with the Patient Advice and Liaison Service rose to 3,053.





The complaints team have been working to analyse trends and themes. Half of all complaints refer to clinical outcomes, one in ten is related to appointment delays/cancellations and the others cite general nursing, communication or the attitude of staff. Following changes to the complaints process the Trust has seen:

- Complaints processes aligned across the Trust so working practices are consistent
- More timely responses from receipt of complaint to final response
- Improved consistency and quality of responses
- An increase in complaints closed within the agreed deadline
- At year end there has been a reduction in the number of 'come back' complaints

### 2.1.2 Infection Control

The prevention and control of infections, together with the safety of our patients, remains a top priority at University Hospitals of North Midlands. As a major teaching Trust we have a significant number of vulnerable, frail and immunocompromised patients who are susceptible to infections. Patients using clinical services such as nephrology, oncology, haematology, critical care, major surgery and of course the care of our older patients are particularly susceptible.

The Trust has continued to report historically low MRSA instances. This year there have been five cases of MRSA bacteraemia this year. The Trust's target each year is zero. However, a number of these were deemed unavoidable by the external panel that reviews such cases. Each case undergoes an immediate investigation and a multi-disciplinary meeting is held with external colleagues to identify what lessons can be implemented to prevent further cases and this is disseminated widely throughout the Trust.

The Infection Prevention team continue to work closely with clinical colleagues to help and support

front line colleagues prevent, reduce and control avoidable hospital-acquired infections. At UHNM we have continued to screen all our inpatients for MRSA. Using lessons learned from root cause analysis investigations performed previously there have been a number of initiatives put in place to help prevent patients acquire MRSA.

An iPortal System that gives real time alerts of all patients with a resistant organism helps staff to isolate or cohort cases early to help prevent further transmission. Alcohol hand gel dispensers at bedsides and entrances to all wards and departments help encourage both staff and patients to use them on entry and exit from clinical areas.

The Trust recorded 102 cases of Clostridium difficile this year. Cases of Trust apportioned Clostridium difficile infections, which were targeted to be 74, are subject to a root cause analysis, which are reviewed externally by commissioners. Learning outcomes from the meeting and investigations carried out are then shared throughout the organisation. All cases are reviewed at least three times per week by a Clostridium difficile nurse, and at weekly multi-disciplinary meetings.

The Trust continues to participate in a multi-centre research project to look at the feasibility of a vaccine that protects against Clostridium difficile. UHNM is one of a few centres nationally that provide a new 'Probiotic Infusion service' for patients with recurrent Clostridium difficile – this has already been shown to have a high success rate in a number of patients.

Norovirus, commonly known as the 'winter vomiting virus', is the most common cause of gastroenteritis in the UK and generally occurs between October and April. A testament to the work of clinicians at the Trust meant that no wards were closed this winter, which is an historic low.

The illness, found in the community, is self-limiting and the symptoms will last for 12 to 60 hours



and most people make a full recovery within one to two days. However, some people may become very dehydrated and require hospital treatment. Patients that present with suspected gastroenteritis in the emergency portals are isolated as soon as possible to try to prevent the introduction of norovirus in our in-patient areas. This helps reduce the spread of norovirus in hospital, which can be disruptive and result in ward closure and loss of activity.

The Trust continues to participate in the national PHE Surgical Site Surveillance programme, working closely with clinical teams and reporting when an infection is identified. The Infection Prevention team work closely with clinical teams to look at root cause to put in place actions to reduce the risk of infection.



The seasonal campaign to vaccinate UHNM staff against influenza ran from October 2015 to January 2016. There was an overwhelming response from staff for the vaccination, ultimately vaccinating over 75.9% of our front line staff. A significant achievement was the vaccination of the additional 2,000 staff at County Hospital staff that were also involved for the first time this year. The Trust remains in the top 15 trusts nationwide for flu vaccination uptake.

The Infection Prevention team vaccinated almost 7,000 staff against the potentially deadly flu virus

this winter. The team have now reached their target of vaccinating more than 75% of the whole workforce at County Hospital in Stafford and Royal Stoke University Hospital.

Vaccinating against the flu virus not only protects staff members, it also ensures that staff don't pass the virus on to others, including vulnerable patients. The news follows a recent report which highlighted that more front-line staff at UHNM had been vaccinated for flu than any other large acute hospital in the Midlands.

Emyr Phillips, Deputy Director for Infection Prevention, said: "Thanks to the hard work of our vaccinators, the Trust has hit its target much faster than in 2015, which is a huge success. It's incredibly important that our staff are routinely vaccinated every year. The Trust puts the care of its patients and staff at the very top of its priorities.

"This year the Trust had flu vaccinators and flu champions based in all our clinical areas, supported by our lead vaccinators Linda and Bev. This undoubtedly made a difference in helping to reach our target."

Liz Rix, Chief Nurse, said: "I'd like to offer my congratulations and thanks to the vaccination team for their hard work once again this year. As health professionals, we need to protect those who are most vulnerable and by getting the flu jab, it dramatically reduces the risk of the virus being spread within the hospital setting."

### 2.1.3 Harm free care

The Trust is committed to improve quality, safety and access to all patients and this year we reported zero Never Events. The national target for harm free care is 95% and UHNM has continually achieved this target during 2015/16, with 97.96% for this year.

The Trust recorded 13,723 safety incidents, an average rate of 30.07 patient safety incidents per 1,000 bed days. The rate of incidents per 1,000



bed days is in line with the Institute for Healthcare Improvement indicator rate of 30.00 patient safety incidents per 1,000 bed days.

There have been 2,450 patient falls, making the falls rate per 1000 bed days 5.19, lower than the national benchmark rate of 5.8. This achievement is in part due to the continued excellent performance for falls risk assessments with 98.9% completion rate against a national target of 95% and Falls Bundle compliance of has also seen improvement with 92.99%.

The Hospital Standardised Mortality Ratio (HSMR) has continued to improve. The figure recorded for the calendar year of 2015 was 94.07, below the 100 standard.

Pressure ulcers are a recognisable measure for quality and safety of patient care, the Trust has seen a gradual decline in hospital acquired pressure ulcers and particular improvement at County Hospital. There have been 83 pressures ulcers at the Trust this year, though none were Grade 4 pressure ulcers this year.

The breakdown shows 48 Grade 2 and 35 Grade 3 pressures ulcers. The Trust monitored all the Grade 2 and Grade 3 pressure ulcers and undertakes a root cause analyses for all hospital acquired pressure ulcers. Staff are actively encouraged to be involved in this process. A process of monitoring is also in place to support areas who are reporting pressure ulcers recurrently. This support looks at improving the standard of preventative care, documentation and treatment to avoid deterioration of skin integrity.

Nearly half, 46%, of reported pressure ulcers within the Trust relate to heels, which is in line with national trends. The Trust has introduced a programme called 'Happy Heels' to raise awareness of this issue and ensure all staff have the knowledge and access to equipment to reduce this risk.

## 2.1.4 Development and performance

The Trust is now a third of the way through a challenging five year financial recovery and this year's financial plans set out the on-going growth and performance improvement expectations. This year the Trust had a deficit of nearly £27m against a planned deficit of nearly £17m. The difference between these is due to the Trust not being able to increase the number of elective patients as anticipated. In addition, increased emergency patients resulted in significant premium costs. The Trust achieved financial efficiencies of nearly £32m against a plan of £36m due to key areas of the hospital where operational performance has been particularly challenging. A detailed financial report is available later in this document.

## 2.1.5 A sustainable hospital



The Trust is committed to demonstrating leadership in sustainability and developing a world-class healthcare system that is financially, socially and environmentally sustainable. In order to deliver this, the Trust Board has now formally approved the Sustainable Development Management Plan (SDMP): 'Our 2020 Vision: Our Sustainable Future'. The five-year plan commits the Trust to become one of the most sustainable NHS trusts in the UK.

'SWITCH to a Sustainable UHNM' is the new Trust-wide sustainability campaign which engages with the entire workforce. Across all areas of the Trust, the campaign has recruited over 200 voluntary 'SWITCH Champions' who are bringing the campaign to life. The Champions tell us where and how we can make changes in order to





achieve efficiency savings, thereby enabling us to make further investments in patient care and the working environment. The campaign compliments the Trust's investment in sustainability projects by supporting the efficient and sustainable use of resources.

The Trust's Sustainability team continue to encourage access by active and low carbon modes of transport. Travel plans have been developed for both hospitals, which aim to:

- Improve the health and wellbeing of all those who access the hospitals
- Reduce employee single-occupancy car commuting
- Reduce the demand for car parking spaces
- Increase public transport (bus and rail) patronage
- Make a positive contribution to the local community and the environment

In conjunction with local bus operators the Trust now offers attractive discounts on the purchase of tickets for all UHNM employees as well as the SMART Bus Pass employee discount (for use within the Stoke-on-Trent 'SMART boundary').

In order to accommodate the keen cyclists amongst our staff, and to encourage up-take by others, we are delighted to have opened two additional secure cycle shelters. This year we have also launched the UNHM 'Bicycle Users Group' (BUG) to regularly bring together those staff who are enthusiastic cyclists to discuss



cycling experiences, issues when cycling to and from sites and how we can encourage more staff to leave the car at home; and cycle to work. In addition, we continue to offer tax-free bicycles through a cycle to work scheme and free 'Dr Bike' health checks each month, discounted locks and bike hire.

The Sustainability team have been focusing on formulating major energy management schemes into a five year plan in order to produce cost and carbon savings. The Combined Heat and Power plant at the Royal Stoke University Hospital was commissioned in June 2015 and since then it has been running around the clock, generating electricity for the site and reducing the demand on the heating boilers in the Energy Centre. The plant burns mains natural gas, but the reductions in electricity consumption and boiler load mean that the net monthly effect is a £41k cost saving and a 154 tonne reduction in overall carbon dioxide emissions. A Combined Heat and Power plant is now being explored as a source of low carbon energy production at County Hospital.

Other investment schemes implemented at the Royal Stoke Hospital include the installation of high efficiency burners to the boilers and heat recovery unit to the exhaust, both within the Energy Centre. In addition, in selected areas lighting has been upgraded to light emitting diode (LED) products, to enable the site to benefit from lifespan and electrical efficiency improvements. These schemes will reduce annual energy costs by over £800,000 with associated reductions in carbon dioxide emissions.

Next year we have many exciting projects in the pipeline, including the pilot introduction of recycling facilities. The Sustainability team will also work in partnership with clinicians, the wider Staffordshire health economy and third sector in order to think about services differently. This will also go some way to helping the Trust meet national best practice outlined by the NHS Sustainable Development Unit and the NHS Five Year Forward View.



### 2.1.6 Emergency Preparedness, Resilience and Response

Under the Civil Contingencies Act (2004) the Trust is required to ensure it has robust plans in place for Emergency Preparedness, Resilience and Response (EPRR) to all internal and external incidents. In addition, EPRR also supports the Care Quality Commission standards as well as NHS England's EPRR standards and NHS Standard Contract 2015/16 Service Conditions.

National arrangements set out for EPRR continued to be embedded in the Trust throughout the year. Local networking and coordination are in place through participation in the Local Health Resilience Partnerships and Health Emergency Planning Officer Group, in addition to the wider Staffordshire Resilience Forum via NHS England representation. Highlights of Trust EPRR for 2015/16 include:

- A live exercise generating statutory compliance, Trust wide involvement and multiagency working
- A review of the Major Incident Response and Recovery Plan
- Achievement of full compliance with NHS England EPRR Core Standards
- Review of EPRR training with the introduction of an e-learner package along with role relevant training packages
- Introduction of NHS England's latest EPRR Framework detailing a new structure for incident management through Critical and Major Incident declaration and levels
- Coordination of industrial action preparation and facilitation for divisional service delivery and provision of assurance to NHS England

## 2.2 A place to work

### 2.2.1 A year of success at UHNM

The outstanding award winner at the Trust this year was Mandie Burston, who won Nurse of the Year at the Nursing Standard Awards. Major

Trauma nurse Mandie won the prestigious award for her work in raising awareness of domestic violence.

Mandie and her domestic violence awareness team also collected the Innovations Award, which recognises nurses who have made an outstanding contribution to patient care or who have initiated projects which have made a real difference to the lives of the people they care for.

Working alongside support charity ARCH, Mandie raises awareness and offers support to people who may be affected by domestic violence. One in four women and one in six men will be affected by domestic violence in their life time, and this project has already supported more than 400 people locally.

Mandie said: "It was a complete surprise to win Nurse of the Year – I still can't quite believe it now. It was amazing to win the Innovations Award because the team have done such an amazing job in raising the profile of domestic violence within the Emergency Department. But to then go on and win the Nurse of the Year award was



unbelievable and I am so honoured to win it for the team and for the Trust.”

Liz Rix, Chief Nurse, said: “To win a national honour like this just shows the fantastic work that Mandie has done for her patients, her colleagues and the Trust as a whole. We are all extremely proud of Mandie and it is an exceptional achievement to win such a prestigious award. The work Mandie and her team do around raising awareness of domestic violence is outstanding and the care and dedication they show to patients has been suitably rewarded.”

The most notable team award achieved at the Trust this year went to the paediatric oncology clinicians for their work treating seriously ill children. The team won a prestigious WellChild Award after being nominated by two families whose children had been treated at Royal Stoke.

The awards are run by WellChild, a national charity for seriously ill children and celebrate the courage of children coping with serious illnesses or complex conditions. They also honour the dedication of professionals who go the extra mile to help sick children and their families. There was a double celebration for Dr Kumar, as he was also nominated separately in the Doctor category at the awards.

Kelly Walters, Children’s Oncology Specialist Support Nurse, said: “It’s a tremendous honour to have won this award and it’s testament to the hard work the team put in to caring for all the children who come to the hospital. We are very proud of the care the team gives to all children. We often see children and their families during extremely difficult times and we want to make sure we give them the best possible experience and help them understand everything that is going on.”

WellChild’s Director of Programmes Linda Partridge said: “It is a tremendous challenge to select winners from the many, many truly amazing nominations we receive from all over the country. All the panel members are moved by the bravery

of the children, the stories of selfless care and support and the dedication of the doctors, nurses, teachers, brothers and sisters who make a great difference to the lives of seriously ill children and young people. Royal Stoke University Hospital’s Paediatric Oncology team truly deserve to be the winners of this award.”

Four teams from across the Trust were nominated for national Patient Safety Awards:

- Clinical leadership nomination for cancer team. This nomination was for the cancer nurses who changed the way they provided high-quality patient. The nurses set up a practice development group to target areas of improvement within the cancer centre.
- Managing Long Term Conditions nomination for cardiac rehabilitation team. This nomination was for the work the team does in providing patients with a programme of exercise, lifestyle modification and education which assists them to get back to everyday life and reduces the risk of further events. The team were highly commended in their category.



- Improving Safety and Quality in Primary Care for the stroke prevention team. This nomination was for their work in detecting Atrial Fibrillation (AF) in the local health economy. The annual risk of stroke is 5-6





times greater in AF patients and early detection reduces the risk of a patient suffering a stroke. The team is responsible for identification, therapy initiation and management of AF patients and has currently identified just over 100 patients with the condition.

- Education and Training in Patient Safety nomination for the sepsis team. This nomination was for rolling out an education strategy which improved morbidity and mortality outcomes within hospital. Sepsis is a common and potentially life-threatening condition which is triggered by an infection which results in impairment of vital body systems. Since the introduction of Sepsis Six Care Pathway (SSCP) in 2013, the team has reduced mortality from sepsis at the Trust from 8% to 4% and reduced the average length of stay for patients from around 15 days to just over nine days. The team were highly commended in their category.

The Estates, Facilities and PFI Division were shortlisted in the Staff Engagement category at the 2015 Health Service Journal (HSJ) awards. The Division provides a wide range of non-clinical support services to the Trust including Estates development and Operations, Facilities Management, PFI Contract Performance Management, Supplies and Procurement and County integration/transition.

And finally, the inaugural UHNM Staff Awards took place at the magnificent Keele Hall. The event was the first awards as a new integrated Trust and more than 200 staff were in attendance to find out the winners of the 15 prize categories on offer. The winners were:

- Chief Executive's Special Award: Cardiac Surgery Team - The Cardiac Surgery team were ranked in the top five in the country in 2015 with a surgeon, Mr Qamar Abid, ranked inside the top 20 nationally.
- Team of the Year: Children's Emergency Centre, County Hospital - The Children's

Emergency Centre Team has come together to develop and deliver the new service at County Hospital.

- UHNM Hero of the Year Award: Dr Ben Clark - Dr Clark was nominated for his role in the rescue of 16 patients at the Alton Towers crash in the summer of 2015.



- Compassionate Patient Care Award: Ward 201, Patient Transport and Macmillan Palliative Care teams - The three teams collaborated to give a lady, who had only a few weeks to live, a very dear wish to travel to York to attend her son's wedding.
- Clinical Research Impact Award: Enhanced Recovery Team for Colorectal Surgery - Recovery in laparoscopic cancer resection is beneficial for the patient and the health care system. A total of 131 patients were included on the study and the outcome was that discharge is 0.92 days earlier, which is better for the patient.
- UHNM Charity Award: Cystic Fibrosis Team - The CF team have hosted a number of events throughout the year in support of the Trust's charity and received the award as a thank you for their efforts.
- Apprentice of the Year: Andrew Banks - After starting as an apprentice, Andrew now has a



job in the Pharmacy Department. He showed great promise during his apprenticeship, displaying enthusiasm, energy and interest in both his studies and his placement area.

- Staff member undertaking a Vocational Qualification Award: James Harvey - James works as the Work Experience co-ordinator for the Trust and has undertaken a further vocational qualification while working full time. James's enthusiasm for his role encourages other team members to go the extra mile.
- Learning and Development Award: The Heart Centre - The Heart Centre was nominated for establishing an environment of learning and development in cardiothoracic anaesthesia. Significant courses have been designed by the team – one is the 'one lung centre' which is nationally accredited.
- Employee of the Year: Anne Barks - Anne works as a Care Coach and has been working at UHNM for 38 years. Ann has won the award for her work around the development of a bespoke three-week induction programme for overseas nurses. As Ann says... Leaving home to go and work in a foreign country is a daunting experience, especially when you are quite young, as many of these nurses are. Ann created a call-out system, which allows them to have easy access to senior members of staff for extra advice and support, should they feel they need it.



- Volunteer of the Year: The Newspaper Ladies - The Newspaper Ladies provide some of the Trust's patients with their home comforts, such as the daily paper they always read.
- Best Support Service Award: Supplies and Procurement Department - The team have further expanded their service to a total of 28 Trusts, reinforcing their position as the largest shared service procurement provider in the NHS.
- Leading with Compassion Award: Rose Ciavucco - Rose is the Discharge Co-ordinator on NICU. She has developed this new role and has worked with other disciplines such as the community team for chronic discharge. She is a role model for the NICU team.
- Innovation Award: Atrial Fibrillation and Stroke Prevention Team - Thrombo-embolic complications, particularly stroke, is one of the main clinical scenarios leading to hospital admission. The service reduced the number of episodes of acute care for patients and is both local and convenient. The team also won at the Royal College of Physicians Excellence in Patient Care Awards.
- Staff Engagement Award: Corporate Services Division - The division, in partnership with Sodexo, have worked hard to deliver the highest possible standard of care to patients with staff engagement being the core of this.





## 2.2.2 Organisational Development through Leadership and Team Development

The previous 12 months have seen the development of two key areas of work, a new Organisational Development (OD) strategy and a new Leadership development framework.

Delivering on these strategies includes:

- Listening into Action events
- Leadership development programmes and workshops
- 360's attached to development programmes
- Opportunities for aspiring leaders/roles
- A cultural survey
- Training to develop resilience and stress management
- Successes in staff engagement achieved by Engagement Champions
- A review of our appraisal processes (now 'Performance and Development Review') following feedback from staff

The Trust launched a new recruitment campaign under 'A New Kind of Trust'. The bespoke campaign focused on a combination of celebrating staff at the Trust on social media and a number of open careers events. Ro Vaughan, Director of Human Resources for the Trust, said: "A New Kind of Trust' was a great opportunity for anyone interested in a career at University Hospitals of North Midlands, whether they are already qualified and actively looking to apply for roles or simply interested in finding out more about working here. Our staff are our most valued asset and we take great pride in their development."

At the March 2016 UHNM leadership conference "Dare to be Different" we launched our leadership philosophy 'Leading with compassion'. This is how we will achieve our values. It is not a mantra just for leaders but a strong, strategic and at times courageous way of interacting with others, and applies to every single person in the organisation to connect with. There are many associated benefits of leading with compassion:

- Delivers world class patient care
- Driving financial performance through heightened engagement
- Promote better connected relationships
- Counter stress/negative emotional responses
- Open up positive feelings such as hope and empowerment
- Help build resilience and wellbeing
- Improves authenticity

A critical part of achieving the Trust's aspirations is an accessible, transparent and deliverable organisational development strategy. Following a review of the organisational development needs with a number of key stakeholders a new OD strategy is being proposed to deliver 2025Vision. The aim of the OD strategy is to develop a positive, compassionate and thriving culture, this is intended to not only sustain and improve the progress made to raise standards in the quality of services and in operational delivery but also to enable further development in overall organisational performance. The strategy is set over a five year period and focuses on four strategic pillars:

1. Define the culture together with our stakeholders - Action against this pillar will ensure that we maintain a 'cultural barometer' having vision and values that are owned, embedded and provide focus. That these are compelling and more importantly acted upon.
2. Identify effective structure/systems/process that enable the desired culture - We have to ensure that data is meaningfully and effectively used to support/drive our desired culture and show returns on expectation/ investment. Building upon effective systems, measuring what we want to see/encourage will ensure sustainability, longevity and achievement in any given objectives.
3. Develop Behaviours and Capability - Only by effectively building upon the first two pillars will we have the appropriate systems in place to be able to develop our people effectively and sustainably. As an organisation we aspire to offer varied and world leading development



opportunities. These will be delivered following strong effective performance mechanisms that will empower people by having ‘best in class’ learning and education investment.

4. Sustain continuous Learning and Improvement
  - Our evaluation systems will be robust and transparent and once best practice is established this will be fostered, shared and embedded. Further, we will drive for continuous improvement as a listening and learning organisation.

In order to develop ownership and capability of organisational development across the organisation and establish commitment to this agenda, a number of projects have been built around delivery of the strategy. Representatives from all areas of the organisation will be assembled to drive the delivery of the strategy and its key projects, in order to maximise output/outcomes. The key projects are as follows:

**Project Sunrise:**

- Stream One – ‘Welcome to UHNM’ A review of our induction processes covering day one, divisional inductions and pre-first day recruitment
- Stream Two – Staff Engagement and ownership of the vision and values
- Stream Three - Developing UHNM as a ‘Listening Organisation’ including customer experience programme

**Project Aurora:**

- Stream One – Excellence in Leadership, Coaching and Mentoring
- Stream Two – Developing effective talent and Performance management processes

During the year we have continued to offer support to staff and promote staff wellbeing through our occupational health and staff counselling services, in addition to offering development sessions on resilience and stress management. During the coming year we will have an increased focus on promoting wellbeing and will be refreshing our Wellbeing Strategy.

**2.2.3 Staff Survey**

Each year the NHS undertakes a nationwide staff survey to understand the opinion staff have of their own organisation. This year the Trust maintained the high opinions that staff have of UHNM. It is incredibly positive that staff would want their friends and relatives to be treated at the Trust’s hospitals, which was significantly above the national average.

	UHNM	Average (median) for acute trusts
Care of patients / service users is my organisation’s top priority	72%	75%
My organisation acts on concerns raised by patients/ service users	72%	73%
I would recommend my organisation as a place to work	61%	61%
If a friend or relative needed treatment, I would be happy with the standard of care provided by this organisation	74%	70%
Staff recommendation of the organisation as a place to work or receive treatment	3.79	3.76

The Trust is one of the best 10 performing trusts in the Midlands and East for staff recommending the organisation as a place to receive care with a score of 3.82 for staff engagement, similar to the national average of 3.79. However, the staff survey also noted improvements that could be made, including:

- Staff not reporting harassment, bullying or abuse
- Staff putting themselves under pressure and coming into work despite not feeling well enough
- How the organisation encourages reporting of errors
- Staff motivation at work (the extent to which



they look forward to going to work and are enthusiastic about and absorbed in their jobs) is better than average for acute trusts Overall.

The Trust is putting together plans to further improve the NHS staff survey in 2016.

### 2.2.4 An equal and diverse workplace

There is a statement in all Trust policies stating the Trust's commitment to the principles contained in the Human Rights Act and that the policies protect the rights and interests of our staff and ensure they are treated in a fair, dignified and equitable way.

On the Trust's Equality and Diversity training course participants are told that it is essential that human rights are taken into account when delivering services 'Putting human rights at the heart of the way healthcare services are designed and delivered will make for better services for everyone, with patient and staff experiences reflecting the core values of fairness, respect, equality, dignity and autonomy.'

On clinical courses human rights are discussed when relevant e.g. when talking about mental capacity. The Trust complies with equal opportunities law through its Equality and Diversity Policy (Encompassing Employment and Service Provision).

The Trust is committed to ensure that equality and diversity is an integral part of the way we work and that we continue to be responsive to the needs of our staff, patients, visitors and stakeholders. Equality impact assessments continue to be completed for all Trust policies when they are reviewed or developed.

The Trust had a workforce of 10,500 (or 9,200 posts), excluding Bank Staff and Honorary contracts. The Sickness rate was 4.28%.

### 2.2.5 National Equality Delivery System (EDS)

The Equality Delivery System (EDS) is a tool developed by NHS England to provide the Trust with a framework for assessing how we are performing against equality, diversity and human rights and how we can improve our performance for people with characteristics protected by the Equality Act 2010. The EDS2, an improved and streamlined version of the previous EDS system, was launched in November 2013 with the aim of Better Health Outcomes, Improved Patient Access and Experience, A representative and supported workforce and Inclusive leadership.

The Trust undertook a self-assessment against all four goals in 2015/16 and engaged with local stakeholders, who considered the scoring of the outcomes for service users. There are plans to review the patient focused outcomes with local stakeholders during 2016/17 and identify key priorities going forward into 2016/17.

The 2015/16 Staff Survey results indicate that the Trust performs better than the national average regarding the percentage of staff who have experienced discrimination at work in the last 12 months (10%). The Trust is in line with other trusts where staff believe that their organisation provides equal opportunities for career progression/promotion, with 87% of staff who responded agreeing with this statement.

A breakdown of the workforce is included in the Annual Equality & Diversity Workforce Report by ethnicity (compared to the ethnicity of the local community) plus a breakdown by gender and disability and includes information on recruitment, training, and employee relations cases by a number of the protected characteristics.

The NHS Workforce Race Equality Standard is an additional national framework that requires the Trust to demonstrate progress against a number of indicators of workforce equality. The Trust published its 2015/16 Workforce Race Equality Standard report with actions for the following year.





The Trust has an Equality and Diversity Employment Group and a Patient User Group. It is proposed that an overarching Equality, Diversity and Inclusion Group is established during 2016/17 to oversee progress against all the actions identified from the EDS2, WRES, staff survey and patient feedback results. It is proposed that gender pay gap reporting will come into force in 2016/17 with the Trust required to publish its pay gap information annually from 2017/18.

Job evaluation panels, which include staff side representatives, have continued to meet on a regular basis to evaluate and grade posts. One of the objectives is to avoid discrimination. In line with the Accessible Information Standard, which comes into effect during 2016/17, the Trust has a Patient Information Leaflet Group which reviews all written patient information before publication to ensure it is able to be read or received and understood by an individual or group.

The Trust has worked with local expert groups to improve services for those patients with learning disability and/or sensory impairments. This has included staff training, provision of communication books and introduction of a revised learning disability toolkit in key areas. Foreign language written, telephone and face to face interpretation are available on request. The Trust continues to be committed to supporting job applicants and existing staff who have health conditions and/or disabilities to enable them to access and continue their employment. In addition, the Trust is working with partner organisations to support disabled members of the community to access work experience to support their applications for posts at the hospital.

Finally, actions have been implemented in response to the Freedom to Speak Up recommendations, including the appointment of a Freedom to Speak Up Guardian and the expansion of the role of the Employee Support Advisors to include supporting staff wanting to raise a concern.

## 2.3. A place to learn

### 2.3.1 Nurses of the future



Our teams share a passion to support the next generation of nurses, midwives and nursing assistants. Our nursing assistants, who represent 40% of the total nursing workforce, continue to develop and grow. The Trust's care coach is helping nursing assistants develop and have supported the clinical teams in ensuring that the "care certificate" is implemented.

The Trust has seen the on-going partnership with the Open University grow and we have 17 Nursing Assistants undertaking a part time pre-registration adult nursing programme. This has been so successful we are able to support a further 10 nursing assistants to undertake this part time pre-registration adult nursing programme. This has been made possible with the support of Health Education West Midlands and the Local Education and Training Council.

The Trust continues to provide clinical placements for pre-registration students, midwives and operating department practitioners. The majority of the placements relate to students from Keele University, but we are receiving increasing numbers from Staffordshire University. The number of students requesting elective placements has continued to increase, demonstrating that the Trust is being recognised



for its excellence. Our pre-registration programs continue to see year on year growth in clinical placements with 46,213 days completed in practice.

This year the Trust has welcomed newly qualified registered nurses and registered nurses from our international recruitment.

The Registered Mental Health Nurse initiative continues to grow and we have recently recruited Registered Mental Health Nurses to our Children's Centre. The registered mental health nurses work in designated clinical areas and the initiative is supported by the Nursing and Midwifery Council, Lead Nurse for Health Education England and the local Director of Nursing for Mental Health. To support the registered mental health nurses the Trust has a Lead nurse for Mental Health.

The Trust, through its clinical engagement with the associate chief nurses, deputies and matrons continues to support the registered nurses and midwives to undertake post registration education this ensures that individuals are developed. Courses such as Mentorship are in high demand and supported well, this year saw the first UHNM applicants to undertake this at MSc level.

As a Trust we have a significant number of nurses who have been trained and educated at Master level to deliver complex decision making for an expanded autonomous scope of practice. This year senior nurses from the Trust have been involved with the work that has gone on regionally in the development of the MSc in Advanced Clinical Practice module that is being delivered at local higher education institutions. A further 17 nurses have undertaken this new regional advanced practice programme, this we believe will further enhance and enable a skilled and knowledgeable advanced practice workforce to enhance the capacity of current healthcare staff to ensure a quality service for our patients, now and in the future, enabling an enhanced student experience at the Trust.

Educating staff is key to the nursing and midwifery teams in the delivery of expert care provision. We continue to support nurses and midwives and this year have supported over 700 nurses and midwives to undertake modules such as PHD/ MSc, degree level study, Non-medical Prescribing, Health assessment and Stroke School.

### 2.3.2 Doctors of the future



University Hospitals of North Midlands is the main teaching hospital for Keele University Medical School. In 2015 Keele was ranked first of 32 Medical Schools in the National Student Survey, reflecting very high levels of satisfaction from our students.

The Medical School has trained around 130 students in each of its five years of the Keele MBChB course. Before 2012 doctors training at Keele had been awarded a Manchester University degree. The General Medical Council (GMC) sets and monitors standards in medical education and had to approve all stages of the new course. In 2016 the medical school was within the world university rankings list for Medicine.

The Keele curriculum is an innovative, modern medical curriculum that includes problem-based learning whilst still using traditional methods of teaching. The distinctiveness of the course is that it has been designed to allow diversity and integration. It allows students with different



personalities, aspirations, preferences, learning styles and strengths and weaknesses to be successful, to enjoy their undergraduate time and to be able to build on these experiences.

Career options for doctors have never been greater and, although our primary aim is to deliver competent Foundation Year Trainees, the course helps students to experience more specialised activity by recognising and developing natural aptitudes. This is achieved through flexibility in the student-selected components, innovative 15-week student assistantship in both primary and secondary care, and final year electives that allow for maximum variety of choice in terms of activity and learning environment.

Clinical teaching is a high priority within the Trust. Over half of the Trust's consultants are involved in teaching and developing the curriculum. More than 100 clinicians were nominated by Medical Students for the 2015 Clinical Teacher of the Year award. Overall 272 students are being educated at UHNM in the academic year 2015/16.

Our students can start to devise a 'pathway' that concentrates on research, community practice, a particular specialty, or on breadth and general experience. Despite the success of the curriculum so far, a formal review is being undertaken in 2016 to make sure it remains fresh and up to date. In July 2015 more than 125 students graduated from Keele University with a Keele MBChB (Hons) degree. Keele graduates comprised 41% of Foundation Doctors starting at UHNM in August 2015.

The Trust is responsible for the training of foundation doctors. There are currently 74 Foundation Year 1s and 84 F Foundation Year 2s in post. UHNM is regularly Quality Assured by HEWM to ensure that as a Trust we are delivering high quality training. Various Specialties have been reviewed over the last 12 months and overall the reports have been satisfactory.

### 2.3.3 Supporting local community - Our connection with schools, colleges, universities and the community



The Trust works in partnership with Stoke-on-Trent College to create Apprentice opportunities at both Royal Stoke University Hospital and County Hospital. The partnership allowed two pre-apprenticeship Cohorts to take place (TRAINESHIPS), which saw participants work within nursing, midwifery, pharmacy, imaging, pathology and administration. Of those who completed the programme, 23 have gone on to secure apprentice positions in the Trust. An additional 54 apprenticeships have been created over the past year to support members the local community wishing to start a career in the Trust.

More than 1,000 students aged 14-19 years were supported through the Trust's Health Society Programmes. These provide enrichment activities within schools and colleges and at the Trust's Healthcare Careers and Skills Academy. All activities are designed to support the health and science curriculum, inform young people's future career aspirations and promote positive health messages.

The work experience programme at UHNM successfully placed 680 students in a wide range of clinical and non-clinical areas across Royal Stoke and County Hospital. For this the Trust was highly commended for its work with Apprentices.





In addition, more than 3,000 students were supported with information regarding NHS careers, work experience at UHNM and apprenticeships at school and college careers events, parents evenings and industry days.

Five summer schools, delivered in partnership with Keele University, attracted more than 200 students aged 14-19 years old, focusing on medicine, nursing, midwifery, pharmacy and physiotherapy. For those aged 18-24, who were not in employment, education or training (NEET), there was a 'Get into Health and social Care' programme in partnership with the Prince's Trust, which attracted 22 participants. The four-week programmes provide participants with two weeks of pre-employment training and two weeks of work experience in clinical and non-clinical settings.

Finally, 47 Advisers from both Stoke City Council's and ENTRUST's careers teams attended events that broadened their knowledge about careers in the NHS. These events were delivered in partnership with Staffordshire and Stoke-on-Trent Partnership NHS Trust and North Staffordshire Combined Healthcare NHS Trust.



## 2.4 A place to research and innovate

### 2.4.1 Research

It has been a record-breaking year for Research and Development at the Trust as it continues its successful work of embedding a research philosophy across the Trust. UHNM is now into the second year of its five year research strategy and the Trust is diversifying its reach to raise its profile not just across the Trust, but also the wider research community with dramatic increases on grant income and patient recruitment.

There has been a huge increase for funding applications from clinicians to carry out research. In just one week alone the Trust submitted grant applications worth £1.9m, hitting its overall value target for grants three months ahead of schedule. Overall, the Trust was awarded grants to the value of £2.69m, an increase of 150% the original target of £1.8m. In an extremely competitive market for grant funding, the Trust has one of the best conversion rates for turning grant applications to successful funding, with a ratio of 1:4, compared to the national standard of 1:6.

For six months the Trust consistently beat its monthly patient recruitment targets, culminating in an end-of-year increase of 23% above target. Throughout the year there has been a growth of patient numbers to a total 3,594 across 385 trials. Strong recruitment has also attracted greater interest from potential sponsors looking for the Trust to host trials on their behalf. Our success in attracting this business is illustrated by a doubling of the key site qualification visits, with an increase of 204% against target.

New links have been fostered across the Trust with the appointment of dedicated clinical and operational research leads. Across each of their directorates, they are now putting research on the agenda to increase the number of trials and staff actively taking part in research. As a result we are already seeing a growth in the number of Principal Investigators in the Trust. We now have



168 clinicians delivering research trials, which is almost 30% above the original target. All of these achievements means that awareness of research within the Trust has grown significantly. More than 1,600 staff responded to a survey, of which 68% said the Trust was research-led. This is encouraging as the sample suggests that the Trust is close to achieving its critical success factor of 75% awareness of research amongst staff, as set out in the 2025Vision.

Finally, partnership work has also been pivotal to this year's success with the links strengthened with Keele University and Staffordshire University. Moving forward, work is currently underway on exciting new projects with Keele University, including the development of a dedicated, purpose-built faculty to unite the academic research of Keele with the clinical research at the and a new research Institute of Applied Clinical Sciences to promote research in secondary care environments. Breast Cancer research work at UHNM has received national recognition with a prestigious award won by Clinical Oncology Consultant Professor Murray Brunt.

Professor Brunt is the winner of a National Institute for Health Research (NIHR) Industry Principal Investigator Award in recognition of his work leading on research trials at the Trust. The



award recognises and celebrates the expertise of commercial principal investigators (PIs) who are responsible for NIHR supported research sites, ensuring that patients are appropriately recruited into research studies.

Millions of people around the world could benefit from a unique self-management monitor designed in a special partnership between patients and researchers at the Trust. The pioneering research work, produced in collaboration with the Trust's partners at the University of the West of England and Manchester Metropolitan University, was supported with a grant of £1.2m from the National Institute for Health Research (NIHR).

This is the largest research grant the Trust has secured and it will be used to develop a hand-held monitor that could revolutionise the way care is given to patients with the life-threatening lung condition Chronic Obstructive Pulmonary Disease (COPD). The Trust has also been granted US and Canadian patents in this area.

Prof Monica Spiteri in Respiratory Medicine and Director of Lung Research at the Trust and Keele University, said: "We have been working very closely with patients to involved them in the research about a condition that affects their daily lives and we hope that by working together we can give them tools, such as the monitor, which will give them confidence."

In the largest event of its kind held at Royal Stoke, the Trust held a health fair to celebrate International Clinical Trials Day. Each research delivery team was represented with displays and activities, along with partner organisations. In total the 16 exhibitions attracted more than 1,000 visitors. The event was just one of the activities developed as part of the Trust's Patient and Public Engagement Plan, which included an Annual Research Day that attracted 150 delegates and a tea party as a thank you to patients who have taken part in focus groups.



## 2.4.2 Mobile App Innovation



The Trust is leading the use of ground-breaking Apps to allow patients better access to information. Patients suffering from Idiopathic Pulmonary Fibrosis can now monitor their own condition and treatment. The App, called myIPFcheck, has been developed by UHNM clinicians to address the needs of patients with chronic lung conditions. Patients and their carers download the App to monitor their wellbeing and progress on treatment, and all the information is transferred to a secure UHNM website that clinicians can access.

Professor Monica Spiteri, Professor in Respiratory Medicine, said: “Idiopathic Pulmonary Fibrosis is a chronic lung condition with progressive scarring of the lungs. Around 5,000 people are diagnosed each year, with an average life expectancy following diagnosis of three to five years. Using this App means patients can make their own appointments, and importantly, communicate in real time with their clinical team. This system allows patients to have continuous specialist support without the need to travel frequently to the clinic.”

Alongside this the team have also expanded its specialist services in Interstitial Lung Disease by creating a dedicated web-based platform called UHNM ILDconnect. This system allows UHNM specialists to work effectively and efficiently with other hospitals, regardless of geographical location, to provide real-time access to clinical notes and multidisciplinary outcomes.

The Emergency Centre have developed a new app which gives the public live waiting times at the Trust’s A&E departments. The app gives regular updates on urgent care services to ensure patients receive the most appropriate treatment as quickly as possible.

The times are being made available to provide potential patients with a full list of options and alternatives to Accident and Emergency Departments at Royal Stoke and County Hospital. A&E departments are for patients with life-threatening or serious conditions and those with minor injuries and less serious conditions can often be treated quicker at alternative locations.

Liz Rix, Chief Nurse, said: “This is an innovative way of helping the public choose which health provider best suits their needs, whether that’s an A&E or a local walk-in centre facility. It’s often the case that patients with minor conditions can be treated without the need to visit an acute hospital. The app gives real-time information on waiting times and show how busy the departments are at any time during the day. This is about empowering our patients to make the most appropriate choice for them.”



Finally, parents of premature and sick babies across Staffordshire, Shropshire and the Black Country can now access information on an App. It was launched by the Newborn and Maternity Network for the area to give concerned parents information and the opportunity to provide instant feedback.





## 2.5 A part of our community

### 2.5.1 Working with neighbouring hospitals

Over the year the Trust has been working with Commissioners and Staffordshire and Stoke-on-Trent Partnership Trust (SSOTP) to provide ward based services at Bradwell Hospital and Cheadle Hospital and care for patients with long-term conditions. The closer working eventually led to the wards at Cheadle and Bradwell becoming part of UHNM. This is part of a range of wider changes to improve the local urgent and emergency care system and reduce pressures on acute beds. The two trusts are working together to provide community services for patients with diabetes, heart failure and respiratory conditions to deliver better outcomes for patients.

The changes at Bradwell and Cheadle hospitals will mean that UHNM will manage the full patient journey from admission through to discharge to either the patients' home or place of residence for some patients. Some of the services at Bradwell and Cheadle will continue to be provided by the Partnership Trust.

In addition, the Trust has been building strong working relationship with Mid Cheshire Hospitals NHS Foundation Trust and Burton Hospitals NHS Foundation Trust. Developing closer working relationships across acute hospitals can make our services better for patients, our organisations individually stronger, provide specialist services closer to where our patients live, develop innovative new services and deliver value.

Finally, the Trust has been working with North Staffordshire Combined Healthcare NHS Trust to provide a joint service at Harplands Hospital's Ward 4. This service sees UHNM consultants continue to manage patients who have both a physical and mental health need for care.

### 2.5.2 Shadow Council of Governors

The Shadow Council of Governors was established in October 2012 and was set up to enhance governance and accountability, as far as possible mirroring the arrangements within a Foundation Trust. During 2015/16, the membership of the Council was revised and as such elections took place to appoint Public Shadow Governors representing seven constituencies, in addition to Staff Shadow Governor elections taking place. Eleven publicly elected members were appointed to the Council, along with one appointed patient representative and nine elected Staff Shadow Governors.

During 2015/16, the Shadow Council met formally on four occasions, and an additional Development Workshop took place. During the year one publicly elected Shadow Governors stood down from office, Mr Fred Egginton in February 2016 (Newcastle-under-Lyme), therefore the third most successful candidate for the Newcastle-under-Lyme area was asked to fill this vacancy. The Shadow Governors of the Trust as at 31 March 2016 were:

During this time, the Shadow Governors have been involved with setting priorities for the Quality Account and have also been involved in numerous activities such as:

- Involvement with the Hospital User Group
- Attendance at Trust Board Meetings
- Involvement with Patient Focus and User Groups
- Attending the Annual General Meeting
- Attending Clinical Assurance Framework Inspections
- Involvement in the PLACE Inspection

In addition, Shadow Governors took part in 48 quality walkabouts, throughout the Trust.



Constituency Type	Name of Constituency	Name of Shadow Governor	Origin	Date elected
Public	Stoke on Trent	Mrs Ann Baker	Elected (contested)	16/10/2015
Public	Stoke on Trent	Mrs Dorothy Matinyarare	Elected (contested)	16/10/2015
Public	Stoke on Trent	Mr Cliff Turner	Elected (contested)	16/10/2015
Public	Stoke on Trent	Mr Roger Stephenson	Elected (contested)	16/10/2015
Public	Newcastle-under-Lyme	Mrs Barbara Mawby	Elected (contested)	16/10/2015
Public	Newcastle-under-Lyme	Mr Grant Williams	Elected (contested)	02/02/2016
Public	Stafford	Mr Jack Barber	Elected (contested)	16/10/2015
Public	Stafford	Mr Nicholas Brundrit	Elected (contested)	16/10/2015
Public	Staffordshire Moorlands	Mr Mark Povey	Elected (contested)	16/10/2015
Public	Staffordshire and Surrounds	Mr Michael Hampson	Elected (uncontested)	16/10/2015
Public	Shropshire	Mr Ian Gomes Walker (Griffiths)	Elected (uncontested)	16/10/2015
Public	South Cheshire	Vacancy		
Public	Patient Representative	Mr Derek Dawson	Appointed	16/10/2015
Staff	Medical and Dental	Dr Melissa Hubbard	Elected (contested)	02/11/2015
Staff	Medical and Dental	Dr Waheed Mahmood	Elected (contested)	02/11/2015
Staff	Nursing and Midwifery	Mr Bruno De Sousa Barbosa	Elected (contested)	02/11/2015
Staff	Nursing and Midwifery	Mr Thomas Evans	Elected (contested)	02/11/2015
Staff	Other Healthcare Professional	Mrs Noeleen Hellis	Elected (uncontested)	02/11/2015
Staff	Non-Clinical A&C	Mrs Jacky Johnson	Elected (contested)	02/11/2015
Staff	Non-Clinical Facilities/Support Services	Mr Paul Wood	Elected (uncontested)	02/11/2015
Staff	County Site	Mr David Perry	Elected (contested)	02/11/2015
Staff	County Site	Dr Anil Kumar	Elected (contested)	02/11/2015



### 2.5.3 UHNM Charity

UHNM charity supports the excellent work of the Trust in providing the best possible healthcare for the people of North Midlands and beyond. The Charity works to make a real difference for patients, visitors and staff at County Hospital, Stafford and the Royal Stoke University Hospital in Stoke-on-Trent.

The Charity supports patients, their relatives and friends, staff, local businesses and organisations to raise money for the hospital. The Charity team and trustees also work closely with the Trust to make sure that all specialities are supported to spend donations appropriately to improve patient experience and care. Over the last year we have funded a wide range of projects and initiatives including innovative, state-of-the-art equipment and cutting edge research, all of which improved the treatment and experience of people using services.

UHNM Charity contributed £1m towards a new scanner at the Royal Stoke University Hospital, which is used to diagnose a range of medical conditions. This scanner has increased the Trust's Imaging capabilities and contributed to reduced patient waiting times.

immense support from local people, groups and businesses who continue to fundraise for a remarkable facility that makes such a profound difference to women who are dealing with hair loss through cancer treatment or other medical conditions.



The arts programme delivered in 2014/15 was a huge success and we have continued to build on this throughout 2015/16 with the appointment of an arts co-ordinator. Three successful major projects have been delivered within Neonatal, the Stroke Unit and Minor Injuries, with arts partners Appetite Stoke. Projects will continue across both hospital sites with two new commissions being undertaken for ward upgrades at County Hospital.

The passion and enthusiasm for fundraising for the Charity continues to increase year on year with even more events being organised by patients, relatives, businesses and staff. From cake sales to charity balls, mud runs to cycle rides, the activities and events organised in support of the Charity are wide and varied, and make a huge difference to the patients, relatives and staff at UHNM.

The Trust would like to thank the many hundreds of patients, their relatives and friends, fundraising groups, local businesses and our own staff who have donated, arranged events and received sponsorship to raise funds over the last year. UHNM Charity are now looking forward to the exciting challenges of working with new fundraisers, staff and patients to support the Trust in achieving its vision for the year ahead.



Following the success of the Fresh Hair Wig and Wellbeing Salon at Royal Stoke, a fundraising appeal was launched on World Cancer Day to support the development of a replica salon in the Chemotherapy Department at County Hospital. The salon, which will open this year, has received





# 3. Accountability Report

## 3.1 Corporate Governance Report

### 3.1.1 Directors Report

The table below lists the Chair and Chief Executive as well as the composition of the Trust Board (including advisory and non-executive members) for 2015/16.

Name & Job Title	Voting/ Non-Voting Trust Board Member	Start Date of Contract/ Length of Term
John MacDonald, Chairman	Voting	August 2011 to August 2017 (second term)
John Marlor, (Vice Chair) Non-Executive Director	Voting	September 2011 to September 2017 (second term)
Stephen Burgin, Non-Executive Director	Voting	September 2014 to August 2016 (first term)
Robert Collins, Non-Executive Director	Voting	July 2010 to April 2016 (second term)
Andrew Garner, Non-Executive Director	Voting	November 2016 to March 2016 (third term)
Andrew Smith, (Senior Independent Director) Non-Executive Director	Voting	March 2012 to February 2018 (second term)
Nicholas Young, Non-Executive Director	Voting	September 2014 to August 2016 (first term)
David Simons, Associate Non-Executive Director	Non-Voting	October 2013
Mark Hackett, Chief Executive	Voting	July 2013 to March 2016*
Robert Courteney-Harris, Medical Director (Deputy Chief Executive)	Voting	October 2007 (Acting Chief Executive from February 2016)
Chris Adcock, Director of Finance	Voting	August 2013 to August 2015
Helen Lingham, Chief Operating Officer	Voting	October 2014
Sarah Preston, Acting Director of Finance	Voting	September 2015
Elizabeth Rix, Chief Nurse	Voting	August 2009
Ro Vaughan, Acting Director of Human Resources	Voting	December 2014
Steve Allen, Director of Strategy and Business Systems	Non-Voting	August 2012 to October 2015
Mark Bostock, Director of IT	Non-Voting	August 2013
Andrew Butters, Director of Business Development	Non-Voting	April 2014
Naomi Duggan, Director of Communications	Non-Voting	November 2015
David Haycox, Associate Director of Corporate Affairs	Non-voting	January 2016
John Simpson, Director of Estates, Facilities and PFI	Non-Voting	September 2013

\* Mark Hackett stepped down from his position with effect from 22 February 2016.



There are six key committees, chaired by a Non-Executive Director, which report directly to the Trust Board. In addition, the Trust has a Shadow Council of Governors, the meetings of which are

chaired by the Chairman and a Trust Executive Committee, which is led and chaired by the Chief Executive and reports directly to Trust Board.

	Audit Committee	Quality Assurance Committee	Finance & Efficiency Committee	Professional Standards & Clinical Conduct Committee	Nominations & Remuneration Committee	Charitable Funds Committee
John MacDonald					Chair	
John Marlor						Chair
Steve Burgin			Chair			
Bob Collins	Chair					
Andy Garner						
Andrew Smith		Chair				
Nick Young				Chair		
Mark Hackett						
Mr Robert Courteney-Harris						
Chris Adcock						
Helen Lingham						
Sarah Preston						
Liz Rix						
Ro Vaughan						



The table below lists any company directorships or other significant interests held by members of the Trust Board:

Name and Job Title	Details of Activities / interests or employment to be declared	Do you receive pay or other benefits from this work
John MacDonald, Chairman	<ul style="list-style-type: none"> <li>MacDconsult Ltd, providing management consultancy services to the NHS.</li> <li>System Leader for the Staffordshire Sustainability and Transformation Programme Plan from 1<sup>st</sup> April 2016 onwards.</li> </ul>	Yes
John Marlor, Non-Executive Director (Vice-Chair)	<ul style="list-style-type: none"> <li>Trustee (Treasurer) Catch22 Charity Limited Company Number 06577534 Registered Charity Number 1124127 National Children's Charity</li> </ul>	No
Steve Burgin, Non-Executive Director	<ul style="list-style-type: none"> <li>Currently employed by GE, in the GE Power Division. No contact/business relationships with GE medical who may have business with UHNM.</li> <li>Previous Director of Alstom Limited, also Director of Alstom Pension Scheme, other Alstom Affiliated Companies (in UK, Sweden, Finland, Hungary)</li> <li>Director of French Chamber of Commerce in UK</li> <li>Chair of Board of Governors Staffordshire University – ceased as of 31 August 2015</li> </ul>	Yes  Yes  No  No
Bob Collins, Non-Executive Director	<ul style="list-style-type: none"> <li>Director - Bob Collins Management Ltd</li> </ul>	Yes
Andy Garner, Non-Executive Director	<ul style="list-style-type: none"> <li>Principal Vice Chancellor and Dean - Keele University</li> </ul>	Yes
Andrew Smith, Non-Executive Director	<ul style="list-style-type: none"> <li>Owner and director of Sund Sammen Limited, consultancy business in healthcare management and health, education and charity governance. Associate of Capsticks Solicitors HR Advisory Practice. Capsticks will on a case by case basis offer to subcontract HR/OD consultancy project work.</li> </ul>	Yes
Nick Young, Non-Executive Director	<ul style="list-style-type: none"> <li>Chair - General Dental Council, including Chairing Fitness to Practice Hearings</li> </ul>	Yes, Fitness to Practice Hearings on a sessional basis only
David Simons, Associate Non-Executive Director	Nothing to declare	





Mark Hackett, Chief Executive	<ul style="list-style-type: none"> <li>Married to the Chief Executive of Worcestershire Acute NHS Trust (resigned July 2015). Son, Hamish Hackett offered temporary A&amp;E receptionist job following work experience – confirmed no influence directly or indirectly on decision of A&amp;E to offer employment during Summer 2015.</li> </ul>	No
Rob Courteney-Harris, Medical Director (Deputy Chief Executive)	<ul style="list-style-type: none"> <li>Private Practice at Nuffield Hospital – this ceased as of 19<sup>th</sup> July 2015.</li> </ul>	Yes
Chris Adcock, Director of Finance	Nothing to declare	
Helen Lingham, Chief Operating Officer	Nothing to declare	
Sarah Preston, Acting Director of Finance	<ul style="list-style-type: none"> <li>Director - Mid Staffordshire Postgraduate Medical Centre (Education) - Company No 2891836 - Registered Charity No 1037738</li> <li>Director - Mid Staffordshire Medical Education Centre - Company No 2933278 - Registered Charity No 1042844</li> <li>Independent Examiner - Wolverhampton Coronary Aftercare Support Group Accounts - Registered Charity No 701667</li> <li>Independent Examiner - Stafford Hospital Radio Accounts - Registered Charity 504126</li> <li>Occasional Lecturer - Keele University (MBA and Medical Students)</li> </ul>	<p>No</p> <p>No</p> <p>Remuneration usually to the value of £100</p> <p>No</p> <p>No</p>
Liz Rix, Chief Nurse	Nothing to declare	
Ro Vaughan, Director of Human Resources	<ul style="list-style-type: none"> <li>Governor at Stoke-On-Trent College</li> </ul>	No
Steve Allen, Director of Strategy and Business Systems	Nothing to declare	
Mark Bostock, Director of ICT	Nothing to declare	
Andrew Butters, Director of Business Development	Nothing to declare	
Naomi Duggan, Director of Communications	<ul style="list-style-type: none"> <li>Director of Duggan Creative Ltd</li> </ul>	No
David Haycox, Associate Director of Corporate Affairs	Nothing to declare	
John Simpson, Director of Estates, Facilities and PFI	<ul style="list-style-type: none"> <li>Sister-in-Law - Chief Executive of Greater Manchester West Mental Health Trust. Son – Paul Simpson Communications Manager for Laing O'Rourke. Niece - Married to Andrew O'Mara, Communications Manager at Sodexo. Member of DH Estates and Facilities Policy Advisory Group.</li> </ul>	No



The Trust has not formally reported any incidents related to personal data to the Information Commissioner's office during 2015/16.

The Directors of the Trust are aware that there is no relevant audit information that the Trust's auditor is unaware of and the Directors have taken all steps to make the Trust's auditor aware of any relevant audit information, and that the auditor is aware of any such information.

### 3.1.2 Statement of Accountable Officers Responsibilities

The Secretary of State has directed the Chief Executive as Accountable Officer to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and give a true and fair view of the state of affairs of University Hospitals of North Midlands NHS Trust and of its net resource outturn, application of resources, and cash flows for the financial year.

In preparing the accounts, the Accountable Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by the Department of Health, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on a going concern basis.

The responsibilities of an Accountable Officer, including responsibility for the propriety and

regularity of the public finances for which the Accountable Officer is answerable, for keeping proper records and for safeguarding the University Hospitals of North Midlands NHS Trust's assets, are set out in Managing Public Money published by the HM Treasury.

I, as Accountable Officer can confirm that, as far as I am aware, there is no relevant audit information of which the Trusts auditors are unaware, and have taken all the steps required to make myself aware of any relevant audit information and to establish that the Trusts auditors are aware of that information. In addition, I, as Accountable Officer, can confirm that the annual report and accounts as a whole, is fair, balanced and understandable. I take responsibility for the judgment required in determining that these are fair, balanced and understandable

Mr Robert Courteney-Harris  
Acting Chief Executive  
27 May 2016



## 3.2 Remuneration and Staff Report

### 3.2.1 Remuneration Report

Remuneration and terms of service for Executive Directors (i.e. Board voting and non-voting members), the Chief Executive, and posts assigned to the Very Senior Manager framework are agreed, and kept under review, by the Trust Nominations and Remuneration Committee.

The Nominations and Remuneration Committee monitors and evaluates the annual performance of the individual Directors (with the advice of the Chief Executive) and the annual work programme for the Committee includes an evidence based review and benchmarking of Executive Director salaries in comparison to national lower and upper quartile benchmarks. This exercise is undertaken in order to maintain awareness of arrangements in other organisations which may be of relevance and any changes to Executive Director salaries are considered by the Committee on receipt of this information.

Where there is a vacancy in a permanently established post, it is usual practise to make a permanent appointment. All senior managers have a notice period of three months and Executive Directors have a notice period of six months. Non-Executive Directors are appointed in conjunction with the NHS Improvement on fixed-term contracts which may be renewed. Compensation for early termination of Executive Directors provides payment in lieu of notice except in cases of summary/immediate dismissal. Any termination payments which fall outside the standard provisions of the Contract of Employment must be approved internally by the Committee. Severance packages which fall outside the standard provisions of the Contract of Employment must be calculated using standard guidelines and any proposal to make payments outside of the current guidelines are subject to the approval of HM Treasury, via the NHS Trust Development Agency (NTDA).





## Remuneration salaries and allowances (audited)

Current Trust Board Member:		2015/16				2014/15			
		Salary	Expense payments (taxable) total to nearest £100	All pension-related benefits	TOTAL	Salary	Expense payments (taxable) total to nearest £100	All pension-related benefits	TOTAL
		Bands of £5,000	£00	Bands of £2,500	Bands of £5,000	Bands of £5,000	£00	Bands of £2,500	Bands of £5,000
Robert Courtney-Harris	Medical Director/ Deputy/ Acting Chief Executive (from Feb 16)	215-220	-	2.5-5	220-215	210-215	1	45-47.5	255-260
Liz Rix	Chief Nurse	145-150	3	60-62.5	205-210	135-140	15	7.5-10	145-150
Ro Vaughan	Acting Director of Human Resources	115-120	-	80-82.5	200-205	110-115		(2.5 - 5)	110-115
Sarah Preston	Acting Director of Finance (from Sept 15)	75-80	-	92.5-95	165-170				
John MacDonald	Chairman	35-40	-		35-40	35-40	24		35-40
Helen Lingham	Chief Operating Officer	160-165	11	50-52.5	210-215	75-80	81	47.5-50	180-185
John Oxtoby	Acting Medical Director (from Feb 16)	15-20	-		15-20				
Andy Garner	Non-Executive Director	5-10	-		5-10	5-10	3		5-10
Robert Collins	Non-Executive Director	5-10	-		5-10	5-10	3		5-10
John Marlor	Non-Executive Director	5-10	-		5-10	5-10	22		5-10
Andrew Smith	Non-Executive Director	5-10	-		5-10	5-10	8		5-10
David Simons	Non-Executive Director	5-10	-		5-10	5-10	13		5-10
Stephen Burgin	Non-Executive Director	5-10	-		5-10	0-5	3		0-5
Nicholas Young	Non-Executive Director	5-10	-		5-10	0-5	3		0-5
<b>Previous Board Members:</b>									
Mark Hackett	Chief Executive (Left post February 16)	230-235	6	7.5-10	235-240	220-225	22	2.5-5	230-235
Chris Adcock	Director of Finance (To Aug 15)	70-75	-	(15-17.5)	55-60	165-170		40-42.5	210-215
Vanessa Gardener	Chief Operating Officer					10-15			10-15
Vivian Hall	Chief Operating Officer					90-95			90-95
Kevin Fox	Non-Executive Director					0-5	4		0-5

There has been no performance pay or bonuses paid to any of the Directors or senior managers in this financial year. Robert Courtney-Harris's salary is split 40-45k for his role as director and other remuneration of 175-180k for his medical duties. John Oxtoby's salary is split 0-5k for his role as director and other remuneration of 10-15k for his medical duties.



**Exit Packages for Staff Leaving in 2015/16 (Audited)**

Exit package cost band (including any special payment element)	2015/16			2014/15		
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
Less than £10,000	2	1	3	1	0	1
£10,001-£25,000	1	0	1	0	0	0
£25,001-£50,000	0	0	0	1	0	1
£50,001-£100,000	0	0	0	0	0	0
£100,001 - £150,000	1	0	1	0	0	0
£150,001 - £200,000	0	0	0	0	0	0
>£200,000	0	0	0	0	0	0
<b>Total number of exit packages by type</b>	<b>4</b>	<b>1</b>	<b>5</b>	<b>2</b>	<b>0</b>	<b>2</b>
<b>Total resource cost (£'000)</b>	<b>138</b>	<b>7</b>	<b>145</b>	<b>82</b>	<b>-</b>	<b>82</b>

Redundancy and other departure costs have been paid in accordance with standard NHS terms and conditions. This disclosure reports the number and value of exit packages agreed with staff during the year. The remuneration information disclosed in the tables above have been subject to audit.

**Pensions (audited)**

		Real increase / (decrease) in pension at age 60	Real increase / (decrease) in pension lump sum at age 60	Total accrued pension at age 60 as at 31 March 2016	Lump sum at age 60 related to accrued pension at 31st March 2016	Cash equivalent transfer value at 31st March 2015	Cash equivalent transfer value at 31st March 2016	Real increase in cash equivalent transfer value	Employers contribution to stakeholder pension
		Bands of £2,500	Bands of £2,500	Bands of £5,000	Bands of £5,000	£000	£000	£000	£000
Mark Hackett	Chief Executive (from 1 July 13)	0-2.5	5-7.5	85-90	260-265	1,604	1,667	44	-
Robert Courteney-Harris	Medical Director (from 1 June 13)	0-2.5	2.5-5	50-55	155-160	1,067	1,109	29	-
Liz Rix	Chief Nurse	2.5-5	10-12.5	50-55	155-160	891	976	75	-
Chris Adcock	Director of Finance	0.2-2.5	Nil	30-35	95-100	501	491	-	-
Ro Vaughan	Acting Director of Human Resources	2.5-5	12.5-15	45-50	140-145	816	918	92	-
Helen Lingham	Chief Operating Officer (from 1 Oct 14)	2.5-5	7.5-10	45-50	140-145	854	938	74	-
Sarah Preston	Acting Director of Finance	2.5-5	12.5-15	40-45	130-135	658	810	84	-

On 16 March 2016, the Chancellor of the Exchequer announced a change in the Superannuation Contributions Adjusted for Past Experience (SCAPE) discount rate from 3% to 2.8%. 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.



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

The pensions information disclosed in the table above has been subject to audit.

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 disclosure applies. The CETV figures and 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 reflects the increase in CETV effectively funded by the employer. This calculation usually 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 scheme or arrangement) and uses common market valuation factors for the start and end of the period.

However, as NHS Pensions have used the most recent set of actuarial factors produced by

the government actuary's department, market valuation factors have not been used for the start and end of the period, as new factors have been applied at 31st March 2012.

### Off-Payroll Engagements (unaudited)

As part of the Treasury's Annual Reporting Guidance 2012-13, Government Departments are required to report information relating to off-payroll engagements. Therefore NHS bodies are required to include information on any such engagements allowing for consolidation.

Annex 3: Off-payroll engagements Table 1  
For all off-payroll engagements as of 31 March 2016, for more than £220 per day and that last longer than six months:

	Number
Number of existing engagements as of 31 March 2016	9
<i>Of which, the number that have existed:</i>	
for less than one year at the time of reporting	1
for between one and two years at the time of reporting	0
for between 2 and 3 years at the time of reporting	1
for between 3 and 4 years at the time of reporting	0
for 4 or more years at the time of reporting	7

Confirmation that all existing off-payroll engagements have at some point been subject to a risk based assessment as to whether assurance is required that the individual is paying the right amount of tax and, where necessary, that assurance has been sought

Annex 4: Off-payroll engagements Table 2  
For all new off-payroll engagements between 1 April 2015 and 31 March 2016, for more than £220 per day and that last longer than six months:





	Number
Number of new engagements, or those that reached six months in duration, between 1 April 2014 and 31 March 2015	1
Number of new engagements which include contractual clauses giving the UHNM the right to request assurance in relation to income tax and National Insurance obligations	1
Number for whom assurance has been requested	0
<i>Of which:</i>	
assurance has been received	0
assurance has not been received	0
engagements terminated as a result of assurance not being received	0

In any cases where, exceptionally, the reporting entity has engaged without including contractual clauses allowing it to seek assurance as to their tax obligations – or where assurance has been requested and not received, without a contract termination – the body should set out the reasons for this. Instances where reporting entities are still waiting for information from the individual at the time of reporting should be reported as not received.

Number of off-payroll engagements of board members, and/or senior officers with significant financial responsibility, during the year	0
Number of individuals that have been deemed “board members, and/or senior officers with significant financial responsibility” during the financial year. This figure includes both off-payroll and on-payroll engagements	0

Expenditure on consultancy services for the year was £1.1m for 2015/16, compared to £7.3m in 2014/15.

## Pay Multiples

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce. The banded remuneration of the highest paid director in the Trust in the financial year 2015/16 was £230,000 to £235,000 (2014/15 was £225,000 to £230,000). This is based on a full time equivalent, annualised calculation. This was 9 times (2014/15: 8 times) than the median remuneration of the workforce, which was £26,972 (2014/15: £26,858). In 2015/16 7 employees (2014/15 5 employees) received remuneration in excess of the highest-paid director. Remuneration ranged from £230,000 to £335,000 (2014/15 £225,000 to £323,000). Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind. It does not include employer pension contributions, the cash equivalent transfer value of pensions or severance payments.

### 3.2.2 Staff Report

Analysis of senior managers within the Trust is listed below:

Payscale	Headcount		WTE	
	Female	Male	Female	Male
Senior Manager	5	5	5	5
Band 8a	50	29	48.61	28.85
Band 8b	26	15	26	15
Band 8c	14	7	13.83	7
Band 8d	6	5	6	5
Band 9	6	5	6	5
Trust Pay Spine_204	1		1	

At 31 March 2016 the Trust had a workforce of 9,213.35 WTE (10,480 headcount) - this is excluding Bank Staff and Honorary contracts. The Trust's staffing is made up of the following staff groups:



Staff Group	FTE	% of total
Add Prof Scientific and Technical	307	3.33%
Additional Clinical Services	1,996	21.67%
Administrative and Clerical	1,784	19.36%
Allied Health Professionals	430	4.67%
Estates and Ancillary	496	5.38%
Healthcare Scientists	299	3.24%
Medical and Dental	1,056	11.46%
Nursing and Midwifery Registered	2,842	30.85%
Students	4	0.04%
<b>Grand Total</b>	<b>9,213</b>	

Of the Trust's 10,480 workforce during 2015/16 76% were female and 24% male. More than a quarter of staff, 28%, worked part-time hours. It is difficult to state the number of staff with a disability, with 59% either not-declared or undefined. Only 1% of staff did declare a disability, whilst 40% of staff said they didn't have a disability. The Trust is able to report accurate figures for workforce age and ethnicity, as shown below.

Age	Percentage
Under 24	8%
25-29-years-old	13%
30-34-years-old	11%
35-39-years-old	12%
40-44-years-old	14%
45-49-years-old	14%
50-54-years-old	13%
55-59-years-old	10%
60-64-years-old	4%
65 and over	1%

Ethnicity	Percentage
White	81%
Mixed	1%
Asian or Asian British	10%
Black or Black British	2%
Other Ethnic Group	2%
Not Stated	4%

Details regarding off-payroll engagements and exit packages can be found above in the remuneration report - section 3.2.1.

Mr Robert Courteney-Harris  
Acting Chief Executive  
27 May 2016



# Efficient and financially stable

2015/16 is the third year of the Trust's challenging 5 year financial recovery trajectory. 2015/16 financial plans set out the on-going growth and performance improvement expectations and a second year of significant efficiency plan requirements (£41m).

At the end of the financial year the Trust has a deficit of £26.936m against a planned deficit of £16.823m. The deterioration on plan is mainly a result of the Trust not being able to increase its elective capacity as planned. The capacity expansion required the recruitment of a significant number of additional staff, a target the Trust was unable to achieve in year. Additional non-elective activity in the Trust above the amount planned resulted in significant premium costs being incurred along with a further reduction in the planned elective activity. The Trust incurred costs above budget relating to out of hospital care to ensure that patients could be discharged from hospital in a timely manner.

2015/16 was also a challenging year for our commissioners and the Trust contract management agenda was challenging for both provider and commissioning organisations across the Local Health Economy. The significant unscheduled care and winter pressures, which materialised in year saw the Trust incur significant levels (£6.6m) of contract penalties and marginal rate emergency tariff deductions of £6m which placed a considerable income pressure on the Trust. No Winter Resilience funds to support extra capacity and additional service provision were available in 2015/16.

The Trust achieved financial efficiencies of £31.776m against a plan of £36.00m. The under-achievement relates mainly to key areas of the hospital where operational performance has been particularly challenging. Increased demand, particularly from non-electives, and workforce pressures have impacted on schemes relating to improved flow through the hospital and theatres productivity.

UHNM is the Trustee for the UHNM Charity and income received for the year from donations, legacies and investments amounted to £1.7m. During the year £2.1m was spent on advanced medical equipment, staff development, high quality research and enhancing the hospital environment. To enable the clinical teams to take advantage of developments in medical science and technology, substantial purchases have been made in many areas, including a £800K contribution to the fifth MRI Scanner.

A summary of the principal financial statements is included in the Annual Report. A full copy of the Trust's annual financial statements can be found on the Trust's website ([www.uhnm.nhs.uk](http://www.uhnm.nhs.uk)) or you may request a copy from the Communications Department via telephone 01782 676647 or email [universityhospital@uhnm.nhs.uk](mailto:universityhospital@uhnm.nhs.uk) or by writing to the Communications Department at University Hospitals of North Midlands NHS Trust, Royal Stoke Hospital, Newcastle Road, ST4 6QG.



**Statement of Comprehensive Income Account for the year ended 31st March 2016**

	2015/16		2014/15	
	£'000	%	£'000	%
Revenue from patient care activities	551,904	78.5%	511,881	82.1%
Other operating revenue	151,013	21.5%	111,954	17.9%
<b>Total revenue</b>	<b>702,917</b>	<b>100.0%</b>	<b>623,835</b>	<b>100.0%</b>
Operating expenses	(720,991)	(115.7%)	(611,584)	(98.0%)
<b>Operating surplus/(deficit)</b>	<b>(18,074)</b>	<b>(2.9%)</b>	<b>12,251</b>	<b>2.0%</b>
Other gains and losses	(1)	(0.0%)	12	0.0%
<b>Surplus/(deficit) before interest</b>	<b>(18,075)</b>	<b>(2.9%)</b>	<b>12,263</b>	<b>2.0%</b>
Investment revenue	159	0.0%	69	0.0%
Finance costs	(14,888)	(2.4%)	(13,416)	(2.2%)
<b>Surplus/(deficit) for the financial year</b>	<b>(32,804)</b>	<b>(5.3%)</b>	<b>(1,084)</b>	<b>(0.2%)</b>
Public dividend capital dividends payable	(4,944)	(0.8%)	(2,478)	(0.4%)
Transfers by absorption - net gains/(losses)	0	0.0%	80,452	12.9%
<b>Retained surplus/(deficit) for the year</b>	<b>(37,748)</b>	<b>-6.1%</b>	<b>76,890</b>	<b>12.3%</b>

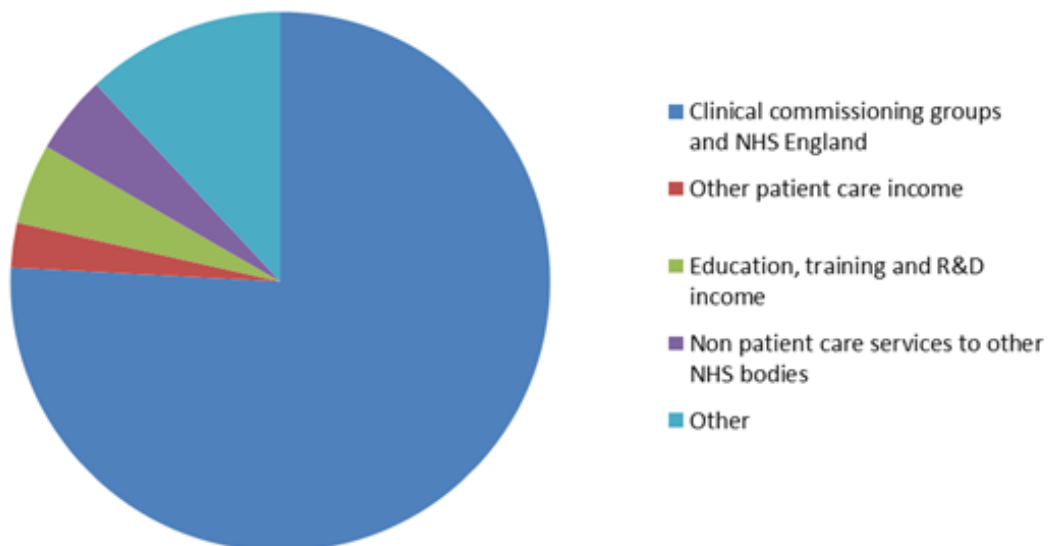
**Performance against breakeven duty**

Retained surplus/(deficit) under IFRS	(37,748)		76,890	
Impairments	11,281		8,231	
Adjustments for donated asset/gov't grant reserve elimination	(469)		(887)	
Adjustment re absorption accounting	0		(80,452)	
<b>Actual surplus under UK GAAP</b>	<b>(26,936)</b>	<b>(4.3%)</b>	<b>3,782</b>	<b>0.6%</b>

**Revenue**

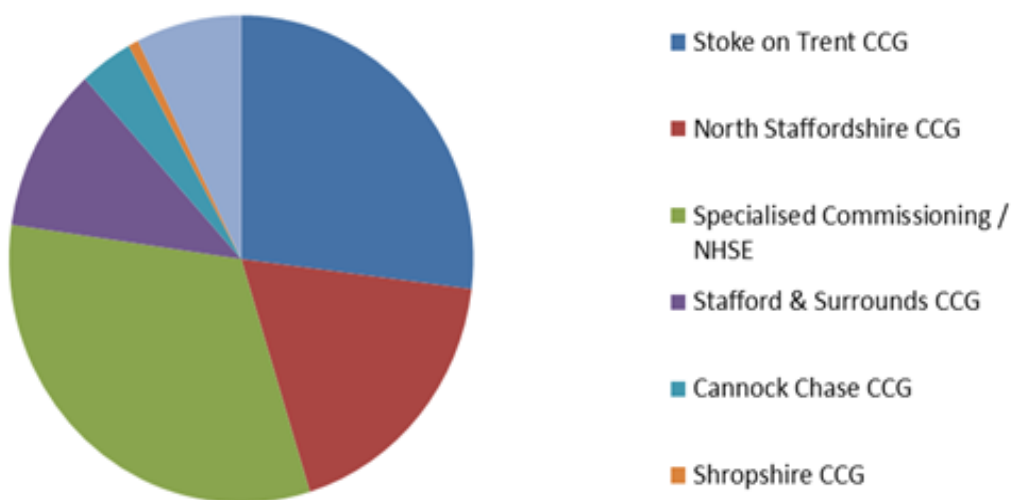
Income in 2015/16 totalled £703m. The majority of the Trust's income (£533m, 76%) was delivered from Clinical Commissioning Groups and NHS England in relation to healthcare services provided to patients during the year. Other operating revenue relates to services provided to other Trusts, training and education and miscellaneous fees and charges. In 2014/15 The Trust received an additional £17m income in the form of non-recurrent provider deficit funding. No such funding was received in 2015/16.

**Summary of total income**



	2015/16	2014/15
	£m	£m
Clinical commissioning groups and NHS England	533.1	482.8
Other patient care income	18.8	29.1
Education, training and R&D income	33.9	27.8
Non patient care services to other NHS bodies	33.1	41.3
Other	84.0	42.8
<b>Total revenue</b>	<b>702.9</b>	<b>623.4</b>

**Summary of income from CCG's & NHSE**



	2015/16	2015/16	2014/15	2014/15
	£m	%	£m	%
Stoke on Trent CCG	144	27%	138	29%
North Staffordshire CCG	97	18%	94	19%
Specialised Commissioning / NHSE	171	32%	153	32%
Stafford & Surrounds CCG	59	11%	35	7%
Cannock Chase CCG	20	4%	15	3%
Shropshire CCG	4	1%	4	1%
Other	39	7%	45	9%
<b>Total CCG income</b>	<b>533</b>	<b>100%</b>	<b>483</b>	<b>100%</b>

	2015/16	2014/15	% change
	£m	£m	
<b>Revenue from clinical activities</b>	<b>551.9</b>	<b>511.9</b>	<b>7.82%</b>
Other revenue:			
Medical school (SIFT)	9.2	8.9	3.12%
Junior doctor training (MADEL)	16.8	12.5	33.63%
WDD funding	2.3	1.7	37.31%
Research and development	5.7	4.7	18.57%
Non patient care services to other NHS bodies	33.1	41.3	(15.00%)
PFI transitional relief	0.0	0.0	0.00%
Other income	88.5	42.8	77.16%
<b>Total other revenue</b>	<b>151.0</b>	<b>111.9</b>	<b>35.39%</b>
<b>Total revenue</b>	<b>702.9</b>	<b>623.8</b>	<b>12.75%</b>

## Operating expenditure

Operating expenditure has increased year on year by 17.7% before impairments with approximately 40% of the increase as a result of the integration of County Hospital, some costs of which are transitional. The remaining increase has been driven by annual incremental pay rises for staff and increased staffing (many of which are bank or agency) and clinical supplies to meet increasing demand and additional activity as a result of service developments. Further increases in costs have been driven by the Trust entering into a number of partnerships with local authority and community providers to support the patient flow through the hospital.

In accordance with the requirement to annually revalue the estate and the new hospital the Trust commissioned an independent valuer to carry out a valuation exercise in March 2016 on the existing residual estate and the new PFI. This resulted in an overall upward revaluation of £28m.



### Summary of operating expenditure

	2015/16	2014/15	% change
	£m	£m	
Staff costs	432.9	365.8	18.34%
Other costs	78.8	75.8	4.03%
Clinical supplies and services	135.5	113.8	19.03%
Depreciation	25.6	20.0	28.00%
Premises costs	25.3	19.6	29.08%
Clinical negligence	11.6	8.4	38.10%
<b>Total operating expenditure before impairments</b>	<b>709.7</b>	<b>603.4</b>	<b>17.62%</b>
Impairments	11.3	8.2	37.80%
<b>Total operating expenditure</b>	<b>721.0</b>	<b>611.6</b>	<b>17.89%</b>

### Performance indicators

The measure of the overall financial performance of the Trust can be expressed using Monitor's Financial Risk Rating (FRR) and Continuity of Service Rating (CoSR). The Trust achieved a FRR score of 1 in 2015/16, where 1 is poor and 5 is good and a CoSR score of 3, where 1 is poor and 4 is good.

### Capital

In recent years the Trust has invested heavily in capital to complete the Fit for the Future changes to healthcare provision in North Staffordshire. Spend to continue with these works and the development of the retained estate in 2015/16. The Trust invested a further £57.7m (£42.2m in 2014/15) in capital. The main areas of investments were:

The capital spend has been funded by a combination of internally generated funds, donations, grants and PDC funding for ICT projects (Safer Wards, Safer Hospital Technology fund and Nurse Technology Fund) and PDC funding to support the IHSS related spend.

## Capital

In recent years the Trust has invested heavily in capital to complete the Fit for the Future changes to healthcare provision in North Staffordshire. Spend to continue with these works and the development of the retained estate In 2015/16. The Trust invested a further £57.7m (£42.2m in 2014/15) in capital. The main areas of investments were:

	2015/16
	£'000
Capital spend	£'000
<b>Medical Assets:</b>	
- Equipment for Critical Care Pod 6	218
- Vivid E9 Echocardiogram	238
- Neurosurgical Microscopes	309
- Other Medical assets	2,124
<b>Total Medical Assets:</b>	<b>2,889</b>
<b>ICT schemes</b>	
- Electronic Data Management System (EDMS)	507
- Health Records Consolidation	351
- Other ICT schemes	2,037
<b>Total ICT schemes</b>	<b>2,895</b>
PFI variations	1,454
5th MRI	1,229
Non clinical assets e.g. beds/operating tables	157
Service Reconfiguration	4,205
Estates and general works	3,301
Salix Schemes	850
<b>IHSS Funded spend</b>	
- Medical Assets	2,524
- ICT	9,481
- Estates	28,669
	<b>57,654</b>

The capital spend has been funded by a combination of internally generated funds, donations, grants and PDC funding for ICT projects (Safer Wards, Safer Hospital Technology fund and Nurse Technology Fund) and PDC funding to support the IHSS related spend.

# Summary financial statements

A commentary on our financial position is included earlier in this report. The following pages are our Summary Financial Statements.

The Statement of Comprehensive Income shows how much money we earned and how we spent it. The main source of our income is primary care trusts, with which we have agreements to provide services for their patients.

Our biggest expense is on the salaries and wages of our staff. On average during this year we employed the equivalent of 10,055 full-time staff (compared with 8,498 last year). The actual number of people working for the Trust is more because a number work part-time (therefore, the full-time equivalent is less).

We buy clinical and general supplies, maintain our premises, some of the costs of which are payable to our PFI partner, and pay for gas and electricity, rent and rates. We also allow for depreciation, the wearing out of buildings and equipment which need to be replaced.

Our Statement of Financial Position summarises our assets and liabilities. It tells us the value of the land, buildings and equipment we own and of supplies we hold in stock for the day to day running of the hospital. It also shows money owed to us and the money we owe to others, mainly for goods and services received but not yet paid for. Under International Financial Reporting Standards it also shows buildings and equipment that are legally owned by our PFI partner and related borrowings which will be settled through the unitary payments we make over the term of the PFI contracts.

The Better Payment Practice Code shows how quickly we pay our bills.

**Statement of Comprehensive Income for the year ended 31st March 2016**

	2015/16	2014/15
	£000	£000
Employee benefits	(432,898)	(365,758)
Other costs	(288,093)	(245,826)
Revenue from patient care activities	551,904	511,881
Other Operating revenue	151,013	111,954
<b>Operating surplus/(deficit)</b>	<b>(18,074)</b>	<b>12,251</b>
Investment revenue	159	69
Other gains and (losses)	(1)	12
Finance costs	(14,888)	(13,416)
<b>Surplus/(deficit) for the financial year</b>	<b>(32,804)</b>	<b>(1,084)</b>
Public dividend capital dividends payable	(4,944)	(2,478)
Transfer by absorption - net gains/losses	0	80,452
<b>Retained surplus/(deficit) for the year</b>	<b>(37,748)</b>	<b>76,890</b>
<b>Other Comprehensive Income</b>		
Impairments and reversals	(15,295)	(6,861)
Net gain/(loss) on revaluation of property, plant & equipment	52,865	40,431
<b>Total other comprehensive income</b>	<b>37,570</b>	<b>33,570</b>
<b>Total comprehensive income for the year*</b>	<b>(178)</b>	<b>110,460</b>
<b>Retained surplus/(deficit) under IFRS</b>	<b>(37,748)</b>	<b>76,890</b>
Impairments	11,281	8,231
Adjustments for donated asset/gov't grant reserve elimination	(469)	(887)
Adjustment re absorption accounting	0	(80,452)
<b>Reported NHS financial performance position</b>	<b>(26,936)</b>	<b>3,782</b>

The surplus/deficit for the year 2014-15 includes the net gain received as a result of the Trust receiving assets and liabilities from Mid Staffordshire NHS Foundation Trust on 1 November 2014. The figures for 2014-15 therefore include 5 months of MSFT income and expenditure, with the full year effect in 2015-16.

\*Other Comprehensive Income shows other non-cash net gains that are not included as either operating revenue or expenditure, and as such does not impact on the financial outturn of the Trust.



**Statement of Financial Position as at 31 March 2016**

	31-Mar-16 £000	31-Mar-15 £000
<b>Non-current assets:</b>		
Property, plant and equipment	554,326	497,497
Intangible assets	14,755	13,301
Other financial assets	212	286
Trade and other receivables	2,991	1,127
<b>Total non-current assets</b>	<b>572,284</b>	<b>512,211</b>
<b>Current assets:</b>		
Inventories	12,368	10,840
Trade and other receivables	59,272	64,086
Other current assets	36	17
Cash and cash equivalents	10,043	9,758
<b>Total current assets</b>	<b>81,719</b>	<b>84,701</b>
<b>Total assets</b>	<b>654,003</b>	<b>596,912</b>
<b>Current liabilities</b>		
Trade and other payables	(88,373)	(66,251)
Provisions	(9,023)	(11,645)
Borrowings	(9,498)	(10,267)
<b>Total current liabilities</b>	<b>(106,894)</b>	<b>(88,163)</b>
<b>Non-current assets plus/less net current assets/liabilities</b>	<b>547,109</b>	<b>508,749</b>
<b>Non-current liabilities</b>		
Provisions	(1,283)	(1,372)
Borrowings	(323,920)	(319,190)
<b>Total non-current liabilities</b>	<b>(325,203)</b>	<b>(320,562)</b>
<b>Total Assets Employed:</b>	<b>221,906</b>	<b>188,187</b>
<b>FINANCED BY:</b>		
<b>TAXPAYERS' EQUITY</b>		
Public Dividend Capital	362,575	328,683
Retained earnings	(284,348)	(245,636)
Revaluation reserve	143,679	105,140
<b>Total Taxpayers' Equity:</b>	<b>221,906</b>	<b>188,187</b>

**Statement of cash flows for the year ended 31 March 2016**

	2015/16	2014/15
	£000	£000
<b>Cash Flows from Operating Activities</b>		
Operating Surplus/Deficit	(18,074)	12,251
Depreciation and Amortisation	25,660	19,987
Impairments and Reversals	11,281	8,231
Donated Assets received credited to revenue but non-cash	(1,108)	(1,486)
Government Granted Assets received credited to revenue but non-cash	(82)	0
Interest Paid	(14,878)	(13,416)
Dividend paid	(4,368)	(2,903)
(Increase)/Decrease in Inventories	(1,528)	(367)
(Increase)/Decrease in Trade and Other Receivables	2,950	(13,236)
(Increase)/Decrease in Other Current Assets	55	(67)
Increase/(Decrease) in Trade and Other Payables	22,201	5,686
Provisions Utilised	(1,377)	(113)
Increase/(Decrease) in Provisions	(1,334)	2,086
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>	<b>19,398</b>	<b>16,653</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest Received	159	69
(Payments) for Property, Plant and Equipment	(50,162)	(31,007)
(Payments) for Intangible Assets	(7,072)	(4,222)
Proceeds of disposal of assets held for sale (PPE)	105	12
<b>Net Cash Inflow/(Outflow) from Investing Activities</b>	<b>(56,970)</b>	<b>(35,148)</b>
<b>NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING</b>	<b>(37,572)</b>	<b>(18,495)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Public Dividend Capital Received	33,892	36,800
Loans received from DH	12,450	0
Other Loans received	850	0
Cash transferred to NHS Foundation Trusts or on dissolution	0	717
Capital Element of Payments in Respect of Finance Leases and On-SoFP PFI and LIFT	(9,335)	(10,714)
<b>Net Cash Inflow/(Outflow) from Financing Activities</b>	<b>37,857</b>	<b>26,803</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>285</b>	<b>8,308</b>
Cash and Cash Equivalents (and Bank Overdraft) at Beginning of the Period	9,758	1,450
<b>Cash and Cash Equivalents (and Bank Overdraft) at year end</b>	<b>10,043</b>	<b>9,758</b>

**Statement of Changes in Taxpayers' Equity for the year ended 31 March 2016**

	Public dividend capital (PDC) £000	Retained earnings £000	Revaluation reserve £000	Total £000
<b>Changes in taxpayers equity for 2015/16</b>				
Balance at 1 April 2015	328,683	(245,636)	105,140	188,187
New PDC received - cash support	0	0	0	0
New PDC received - capital*	33,892	0	0	33,892
Retained surplus/(deficit) for the year	0	(37,748)	0	(37,748)
Transfers between reserves	0	(969)	969	0
Impairments and reversals	0	0	(15,295)	(15,295)
Net gain on revaluation of property, plant and equipment	0	0	52,865	52,865
<b>Reclassification Adjustments</b>				0
Transfers between revaluation reserve & retained earnings	0	0	0	0
Other movements	0	5	0	5
<b>Balance at 31 March 2016</b>	<b>362,575</b>	<b>(284,348)</b>	<b>143,679</b>	<b>221,906</b>

\*The increase in Public Dividend Capital relates to Integrating Hospital Services in Staffordshire (IHSS) funding received as a result of the integration of County and Royal Stoke University Hospital.

**Better Payment Practice Code**

Measure of compliance	2015/16		2014/15	
	Number	£000	Number	£000
Total non NHS trade invoices paid in the year	193,158	295,181	140,585	228,945
Total non NHS trade invoices paid within target	166,380	248,452	127,794	200,461
Percentage of non NHS trade invoices paid within target	86%	84%	91%	88%
Total NHS trade invoices paid in the year	3,626	44,247	5,175	38,623
Total NHS trade invoices paid within target	2,172	31,351	3,285	21,622
Percentage of NHS trade invoices paid within target	60%	71%	63%	56%

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.

The Trust has not signed up to the Prompt Payments Code.

**Cumulative Breakeven Position**

Year	Turnover	Surplus/ (deficit)
1997/98	152,393	(1,199)
1998/99	165,535	(1,246)
1999/00	182,744	1,279
2000/01	193,823	1,225
2001/02	212,576	18
2002/03	235,801	4
2003/04	257,641	3
2004/05	295,327	41
2005/06	299,619	(15,059)
2006/07	333,855	311
2007/08	393,915	3,990
2008/09	371,299	3,008
2009/10	408,938	5,312
2010/11	418,078	4,141
2011/12	426,319	1,050
2012/13	473,558	235
2013/14	475,330	(19,301)
2014/15	623,395	3,782
2015/16	702,917	(26,936)
<b>Cumulative breakeven position</b>		<b>(39,342)</b>

**Staff sickness absence**

	2015/16 Number	2014/15 Number
Total days lost	85,638	61,760
Total staff years	8,920	6,959
<b>Average working days lost</b>	<b>9.6</b>	<b>8.87</b>

**Carrying amount vs. market value of land.**

The Trust's land was valued as at 31 March 2016 at £38.7m, these values are reflected in the Trust's Statement of Financial Position.

**Our external auditor**

To demonstrate that we are running our Trust properly we are required to publish a number of statements which are signed by our Chief Executive on behalf of our Trust Board. These statements cover our financial affairs as well as a number of other aspects of managing our Trust.



Our external auditor also checks our accounts and other aspects of our work and we are required to publish statements from them confirming that they are satisfied with what we have done. These formal statements are reproduced on these pages.

Our accounts are externally audited by Grant Thornton to meet the statutory requirements of the Department of Health. They received fees of £159k.

### **Pension costs**

Past and present employees are covered by the provisions of the NHS Pension Scheme. The scheme is an unfunded defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of the secretary of State, in England and Wales. As a consequence it is not possible for our Trust to identify our share of the underlying scheme assets and liabilities. Therefore the scheme is accounted for as a defined contribution scheme and the cost of the scheme is equal to the contributions payable to the scheme for the accounting period.

### **Full accounts**

A full set of audited accounts for University Hospitals of North Midlands NHS Trust is available on request or can be viewed and downloaded on our website [www.uhnm.nhs.uk](http://www.uhnm.nhs.uk)

Rob Courteney-Harris, Acting Chief Executive

Sarah Preston, Acting Director of Finance

# 4. Annual Governance Statement

## 4.1 Scope of Responsibility

As Accountable Officer, I have responsibilities as set out within the Accountable Officer Memorandum for maintaining a sound system of internal control that supports the achievement of the University Hospitals of North Midlands NHS Trust (the 'Trust') 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 the quality and safety of services provided, that the Trust is administered prudently and economically and that resources are applied efficiently and effectively.

### 4.1.1 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 on-going process designed to identify and prioritise the risks to the achievement of policies, aims and objectives of the Trust, to evaluate the likelihood of those risks being realised and to manage them efficiently, effectively and economically. The system of internal control has been in place at the Trust for the year ended 31 March 2016 and up to the date of approval of the annual report and accounts.

## 4.2 Governance Framework of the Organisation

### 4.2.1 Responsibilities of the Board

Key responsibilities of the Board are to formulate strategy, ensure accountability and management of operational and strategic performance and to shape culture. Alongside this it has a duty to explain and engage patients and members of the public in partnership, to effectively discharge its

duties. Throughout 2015/16 the Board has held:

- 10 meetings in public;
- 12 meetings in private (one of which was an extraordinary meeting);
- One Annual General Meeting and;
- Two developmental seminars plus one 'Trust Board Time Out'.

### 4.2.2 Committees of the Board

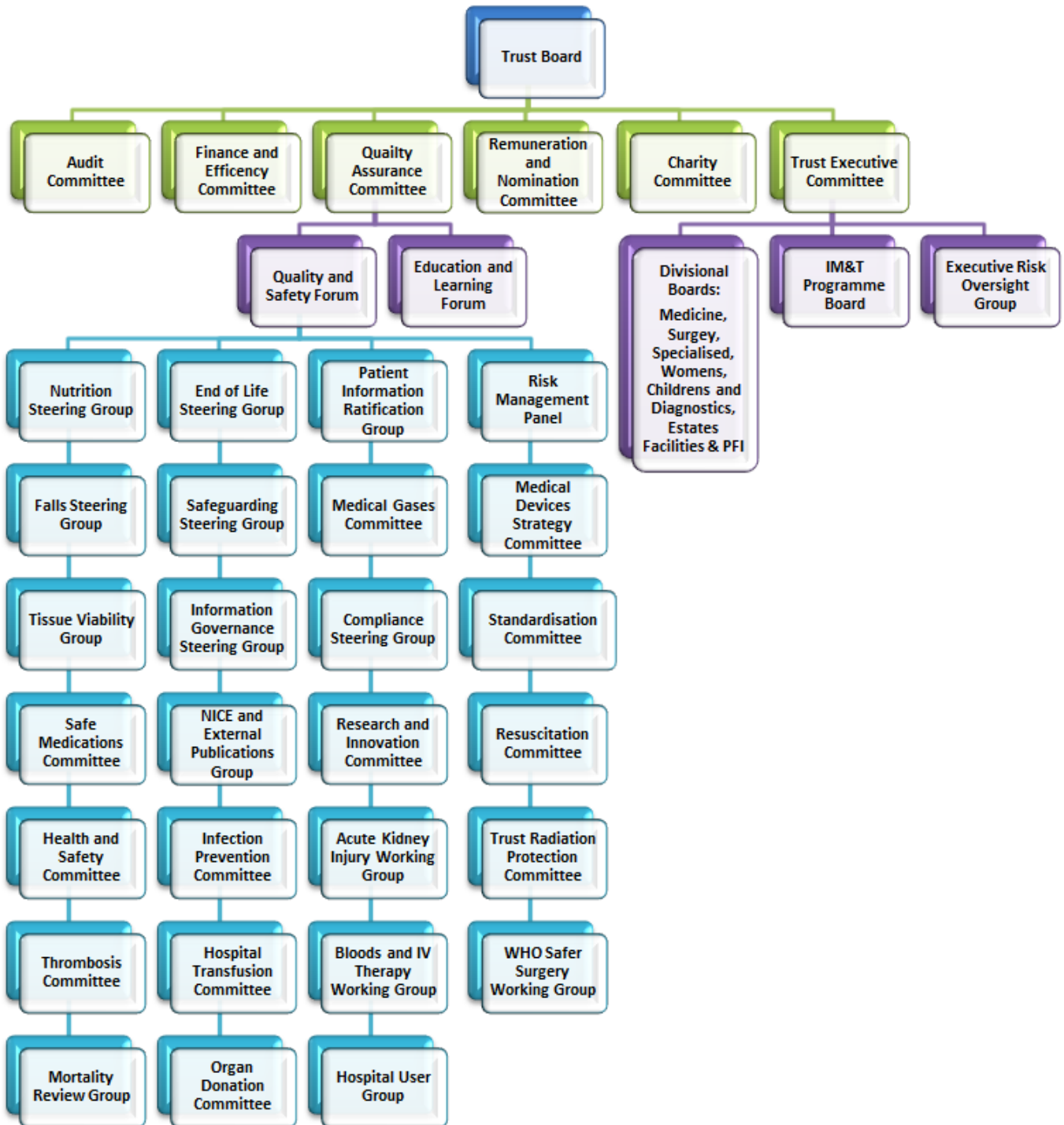
There are six key committees, chaired by a Non-Executive Director, which report directly to the Board. In addition the Trust has a Shadow Council of Governors, the meetings of which are chaired by the Chairman and a Trust Executive Committee which is led and chaired by the Chief Executive and reports directly to Trust Board. The structure is illustrated in the diagram below.

(See table overleaf)

### 4.2.3 Composition and Attendance at Board

Attendance at Board and Committee meetings is formally recorded within the minutes and is captured in an attendance matrix, detailing where apologies have been received and deputies have been nominated. The following table provides an overview of the attendance of Trust Board members at Board meetings throughout 2015/16.





During the financial year 2015/16, there have been no substantive appointments made as voting members of the Board.

Succession plans have been updated during the year to take account of the changes referred to in the table above and future changes for Board members.

<b>TrustBoard Public and Private Meetings (not including developmental seminars, time-out or AGM)</b>			
<b>Member</b>	<b>Notes</b>	<b>Possible Number of Meetings</b>	<b>Number of Meetings Attended</b>
John MacDonald, Chairman		22	20
Stephen Burgin, Non-Executive Director		22	16
Bob Collins, Non-Executive Director		22	9
Andy Garner, Non-Executive Director		22	17
John Marlor, Non-Executive Director/Vice Chair		22	22
Andrew Smith, Non-Executive Director/SID		22	21
Nicholas Young, Non-Executive Director		22	15
David Simons, Associate Non-Executive Director	Non-voting member	22	12
Mark Hackett, Chief Executive	Left post 31 March 2016	20	17
Chris Adcock, Director of Finance	Left post 31 August 2015	11	8
Sarah Preston, Acting Director of Finance	Commenced 1 September 2015	11	11
Robert Courteney-Harris, Medical Director / Acting Chief Executive	Acting Chief Executive from 26 February 2016	22	18
Helen Lingham, Chief Operating Officer		22	19
Liz Rix, Chief Nurse		22	18
Ro Vaughan, Director of Human Resources		22	18
Steve Allen, Director of Strategy	Non-voting member, left post 31 October 2015	11	7
Mark Bostock, Director of IT	Non-voting member	22	16
Andrew Butters, Director of Business Development	Non-voting member	22	17
Naomi Duggan, Director of Communications	Non-voting member, commenced 2 November 2015	9	8
David Haycox, Associate Director of Corporate Affairs	Non-voting member, commenced 1 January 2016	5	3
John Simpson, Director of Estates, Facilities and PFI	Non-voting member	22	16





#### 4.2.4 Activities of the Board

During 2015/16, key areas of focus for the Board have included:

- Setting the Integrated Business Plan and Annual Plan
- Reviewing and setting strategic objectives and critical success factors to deliver the Trust's Vision
- Reviewing and agreeing the strategic risks to meet the strategic objectives
- Integrating Health Services in Staffordshire and the continued implementation of services associated with the delivery of the Trust Special Administrator model
- Strategy development and partnership working, including development of strategic alliances with neighbouring Trusts
- Reviewing the Board Assurance Framework, including oversight and scrutiny of strategic risks
- Operational performance monitoring, review and assurance against key NHS Constitutional targets and internal targets
- Financial planning, performance management, monitoring and assurance of the Trust's efficiency programme, cash management and oversight of the Trust's activity, contractual management arrangements and relationships
- Approval of business cases and service developments
- Review of the Patient Care Improvement Programme (PCIP) to deliver improvements in patient safety, experience and outcomes
- Updating the annual planning process and performance management framework

Following each meeting of the Board, a 'time analysis' report is produced which enables Board members to reflect upon the time spent per agenda item and the appropriateness of this in line with the Strategic Objectives.

#### 4.2.5 Board Performance and Effectiveness Assessment

Following consideration of an independent external evaluation of Board governance, implementation of recommendations from the review has been undertaken during 2015/16.

Additionally, a specific review of risk management systems and processes across the organisation from Board, through the committees and within the divisions was undertaken. An initial report was provided in April 2015 to support the Care Quality Commission review and subsequently a full report was received in August 2015. An implementation plan was agreed through the Trust's Executive Risk Oversight Group that included making improvements in the approach to risk management at all levels within the organisation. Significant progress has been made with further improvements continuing full implementation in readiness for 2016/17.

Through Board workshops, Trust Board members have evaluated the Board's objectives, priorities, effectiveness and development needs going forward and have influenced the Board development plan for 2016/17. Following the approval of the Rules of Procedure in March 2015, which encompassed the review and streamlining of the roles and function of the Board and its Committees, the document has been utilised through 2015/16 as a key reference document for the Board and committees.

A Board development programme was agreed by the Board in April 2015 and included a wide range of development activity including further Board seminars, education and reflective discussion through case studies held during the course of 2015/16.

During 2015/16 the agenda and business cycle for the Board were refreshed to ensure alignment with the revised strategic objectives, against which progress was scrutinised and monitored on a cyclical basis.



In March 2016 representatives of the Board met to consider improvements that could be made to further enhance the effectiveness of Board meetings, both those held in private and those held in public. A number of areas for improvement were considered in terms of the structure and timing of meetings, balance between reports considered in private and in public, balance between items of strategy and of performance, the use of committees of Board and the depth of detail required by the reports presented to Board. These improvements are to be implemented from June 2016.

During 2016/17 key areas of further development as a Trust Board will be in relation to:

- Risk management – full implementation including an enhanced approach to the Board Assurance Framework
- Effectiveness of Board and Committee meetings – using the outputs of the Board workshops
- On-going Board development – through Board workshops and other mechanisms
- People and culture – with the Trust’s Organisational Development Strategy to be considered by the Board during the early part of 2016/17

#### 4.2.6 Highlights of Board Committee Reports

Board Committees produced formal reports to the Board following each meeting, providing a summary of items considered and those which required escalation. These provided the Board with assurance that each Committee was functioning appropriately in accordance with terms of reference and highlighted any key risks considered during the course of the meeting. An overview of the key areas of focus for each of the three committees for whom corporate governance is most prevalent is set out here:

<p><b>Quality Assurance Committee</b></p>	<ul style="list-style-type: none"> <li>• Risk management and assurance re clinical matters</li> <li>• Patient experience, patient safety and patient outcomes</li> <li>• Performance against key quality indicators</li> <li>• Quality Account</li> <li>• Internal and external assurance</li> <li>• Research and Education</li> </ul>
<p><b>Finance and Efficiency Committee</b></p>	<ul style="list-style-type: none"> <li>• Risk management and assurance re non-clinical matters</li> <li>• Financial performance</li> <li>• Contracting performance</li> <li>• Productivity and efficiency</li> <li>• Service developments</li> </ul>
<p><b>Audit Committee</b></p>	<ul style="list-style-type: none"> <li>• Risk management and assurance processes</li> <li>• Corporate governance</li> <li>• Financial controls</li> </ul>



#### 4.2.7 Board's assessment of its own Corporate Governance

The Corporate Governance Code is integral to the business of the organisation and is reflected within key policies and procedures. The five main principles of governance set out within the Code have been adopted as best practice and have been reflected within the Trust's Code of Conduct for Board Members. These are:

- Leadership
- Effectiveness
- Accountability
- Remuneration
- Relationships with stakeholders

Within our system of internal control, there is a range of mechanisms in place which are designed to monitor compliance with the code, these include:

- Self-assessment
- Internal and external audit
- Independent reviews

Outputs of these monitoring mechanisms indicate continued compliance with corporate governance good principles and the Trust's Code of Conduct.

#### 4.2.8 Quality Governance

The Board has a collective responsibility for quality and has taken a number of measures to ensure that quality forms an integral part of its business.

There is a clear quality governance structure within the organisation. The Quality Assurance Committee holds the Executive Team to account and reports directly to the Board, receiving reports on assurance and risks considered by the Quality and Safety Forum and Divisional Quality and Safety Forums.

Reporting directly into the Quality and Safety Forum is a broad range of specialist groups, for

example, Mortality Review Group, Data Quality Group and Infection Control Committee. In addition, the Quality and Safety Forum refers into the Trust Executive Committee as the monthly meeting and at which all Executive Directors and senior Divisional leaders, including Clinical Divisional Chairs and Associate Directors, are members and consider issues arising from Executive led forums within the Trust.

The previously Board approved organisation wide Patient Care Improvement Programme (PCIP) to deliver improvements in patient safety, experience and outcomes during 2014 – 2017 has been monitored through the quality governance structure, with updates to the Board through the quality performance report. The effectiveness of the PCIP has been specifically measured by the delivery of our critical success factors and the following:

- Being in the top 20% of all NHS hospitals for patient experience
- Being in the top 20% of all NHS hospitals for staff experience
- HSMR and SHMI mortality rates are reduced
- UHNM is recognised as a leading quality hospital

As in previous years, the Trust has published a suite of quarterly reports showing performance for the quality improvement priorities and other key indicators.

The Executive Directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 to prepare Quality Accounts for each financial year. The Department of Health issued guidance on the form and content of the Quality Account which is subject to external audit.

The content of the Trust's Quality Account for 2015/16 builds on the 2014/15 report and importantly takes account of the Care Quality Commission (CQC) inspection in to services across the Trust undertaken early in 2015/16.



Quality Improvement priorities are agreed through wide engagement with key stakeholders, including the Shadow Council of Governors. The priorities implemented during 2015/16 include the agreed actions resulting from the CQC inspection.

The Trust uses the same systems and processes to collect, validate, analyse and report on data for the Quality Account as it does for other clinical quality and performance information, which has been subject to data quality assurance processes throughout the year, in accordance with the Data Quality Policy and Strategy. Information is subject to regular review and challenge at speciality, divisional and Trust levels. Data included in the 2015/16 Quality Account has been checked by all teams involved and is signed off by the responsible Executive Directors before being approved by the Board. In line with the Trust's commitment to transparency, the data included is not just limited to good performance.

The Quality Account is subject to internal and external consultation amongst key stakeholders and in accordance with the Department of Health Quality Account Toolkit. Therefore, in developing the account, Executive Directors take the necessary steps to ensure that:

- The quality account represents a balanced picture of performance
- The information is reliable and accurate
- There are adequate internal controls in place around data reporting
- The data is robust and reliable

Each meeting of the Board has had a focus on quality, with key reports on quality and patient experience being considered which include compliance with quality and safety standards, progress against key quality priorities and performance. Each month the Board has received a quality report covering Patient Experience, Patient Safety or Patient Outcomes. These provide assurance that priorities are actively managed and progressed at an operational level.

Members of the Board including Non-Executive Directors and Shadow Governors actively participate in Quality Walkabouts each month and are involved in working with staff to enable improvements where the need is identified.

The Trust has also worked in partnership with stakeholders on quality improvement activities including:

- Hospital User Group (formerly Patient Council)
- Clinical Quality Review Group
- Healthwatch
- Overview and Scrutiny Committee
- Quality review visits of the patient pathway which are Director led with Clinical Commissioning Group and GP involvement

#### 4.2.9 Discharge of Statutory Functions

The Audit Committee is authorised by the Board to provide an independent and objective review of financial and corporate governance and risk management. This includes independent assurance from external and internal audit and ensures standards are set and compliance monitored on both financial and non-financial issues.

The Audit Committee investigates any activity within its terms of reference and seeks any information it requires from any member of staff. In discharging these responsibilities the Committee approved both the internal and external audit work plans, received regular reports from internal and external audit and approved the annual Audit Report.

The Audit Committee met six times during the year to assess and critically review the key risks facing the Trust and to ensure that key controls were in place and operating effectively. Reports from the Trusts' internal auditors, external auditors and local counter fraud specialists were reviewed at each meeting during the year, with a focus on the recommendations being made.





There is a statutory duty on NHS Trusts, to break even taking one year with another. There is a requirement for the Statutory Auditor, in the Trust's case, Grant Thornton LLP, to refer such a breach together with associated issues to the Secretary of State. Such a referral has been made under Section 30 of the Local Audit and Accountability Act of 2014. The External Auditor also needs to consider the Trust's status as a going concern.

### 4.3 Risk Assessment

Overall responsibility for the strategic and operational management and assessment of risk within the Trust rests with the Trust Board. Reporting mechanisms are in place to ensure that risks are reported through the Trust's management structures in accordance with the Risk Management Policy and Strategy. Management and ownership of risk is delegated to the appropriate level from Director to divisional management teams through the organisational structure.

Through receipt of the Board Assurance Framework and performance and assurance reports the Trust Board identified and managed a range of strategic risks during 2015/16 which following a review and agreement of the strategic objectives and critical success factors and an assessment of the risks associated with delivery of these strategic objectives and critical success factors.

The Board Assurance Framework has linked each of the strategic risks against the related strategic objectives and critical success factors together with initial and current risk scores and controls to mitigate against each risk.

The strategic risks for 2015/16 against each of the five strategic objectives as reported to Board for quarter four are as follows.



<b>STRATEGIC OBJECTIVE 1: DELIVERING QUALITY EXCELLENCE FOR PATIENTS</b>	
<p><u>Strategic risk 1:</u></p> <p>Failure to deliver effective clinical leadership across the Trust to secure patient experience, clinical safety, financial results and service transformation.</p>	<p><u>Strategic risk 2:</u></p> <p>Failure to achieve faster improvement in patient experience, safety and outcomes nationally greater than UHNM.</p>
<p><u>Key actions taken during 2015/16:</u></p> <ul style="list-style-type: none"> <li>• Implementation of CQC action plan with subsequent internal audit</li> <li>• Participation in national audits</li> <li>• Learning through Quality Safety Forum</li> <li>• Benchmarking of performance</li> <li>• Patient Care Improvement Programme continued delivery</li> <li>• Establishment of a Quality Academy to expand the scope of quality improvement</li> <li>• Development of Care Excellence Framework and Excellence in Practice Accreditation Scheme</li> <li>• Delivery of a Service Delivery Implementation Plan to support compliance with national standards</li> <li>• Commenced work with partners for a 24/7 presence of a mental health liaison service in A&amp;E</li> <li>• Safe transfer of services from MSFT to UHNM</li> </ul>	



<b>STRATEGIC OBJECTIVE 2: DELIVERING OUR OBLIGATIONS TO THE TAXPAYER</b>	
<u>Strategic risk 3:</u> Failure to deliver / implement capital schemes to support I&E / capacity strategy / plan and the environmental estate.	<u>Strategic risk 4:</u> Failure to deliver Staffordshire review on time to secure Trust I&E sustainability.
<u>Strategic risk 4a:</u> County Hospital merger - no agreement being in place post 29 month period.	<u>Strategic risk 5:</u> Failure to define CIP / productivity savings of £85m across 2015/16 to 2017/18.
<u>Strategic risk 6:</u> Inability to achieve income targets due to commissioner affordability, tariff changes, poor quality or capacity constraints.	<u>Strategic risk 7:</u> Failure to maintain expenditure control in operating units.
<u>Strategic risk 8:</u> Failure to develop and secure a deliverable liquidity plan.	
<u>Key actions taken during 2015/16:</u> <ul style="list-style-type: none"> <li>• Development of long-term plans to return to break-even position</li> <li>• Delivery of £32m of CIP programme savings</li> <li>• Made synergy savings of £10m</li> <li>• Financial modelling at directorate level by clinical and corporate support functions</li> <li>• Productivity improvements aligned to Lord Carter work programme and benchmarking</li> </ul>	



STRATEGIC OBJECTIVE 3: ACHIEVE EXCELLENCE IN EDUCATION, TRAINING AND RESEARCH	
<p><u>Strategic risk 9:</u></p> <p>Failure to deliver Research Strategy affects academic development because we cannot recruit high calibre people and the resource infrastructure.</p>	<p><u>Strategic risk 10:</u></p> <p>Failure to recruit and retain workforce to deliver teaching, research and service requirements.</p>
<p><u>Key actions taken during 2015/16:</u></p> <ul style="list-style-type: none"> <li>• Development of a clinically led organisation by strengthening the role of clinical chairs</li> <li>• Workforce planning aligned to business planning cycle</li> <li>• Confirm and challenge divisional sessions to ensure consistency of activity, finance and workforce</li> <li>• Apprenticeship strategy introduced</li> <li>• Introduction of 50 practitioners in Emergency Department, Elderly Care, Medicine, Rehabilitation</li> <li>• Introduction of new roles of physician associates, scrub assistants and clinical fellows</li> <li>• Conversion of 34 health care assistants overseas nurses on to the register</li> <li>• Increase in the number of Advanced Nurse Practitioners by four</li> <li>• Agreed 12 places for MSc programme at Staffordshire University</li> <li>• Development of a portfolio of wellbeing / support offerings</li> <li>• Delivery of Recruitment and Retention Strategy</li> <li>• Rolling recruitment processes including overseas recruitment</li> <li>• Short-term measures in place through the use of agency staff and overtime</li> </ul>	





<b>STRATEGIC OBJECTIVE 4: CREATE AN INTEGRATED TRUST AND DEVELOP STRATEGIC ALLIANCES WITH NEIGHBOURING TRUSTS</b>	
<p><u>Strategic risk 11:</u></p> <p>Lack of capacity to deliver Trust Special Administrator model for Orthopaedics.</p>	<p><u>Strategic risk 12:</u></p> <p>Provider / professional resistance to new service models or organisational plans prevents integrated care happening fast enough.</p>
<p><u>Strategic risk 13:</u></p> <p>Inability of clinical and non-clinical teams to deliver service transformation to meet Critical Success Factors.</p>	<p><u>Strategic risk 14:</u></p> <p>Failure to deliver service transformation plans on time.</p>
<p><u>Strategic risk 15:</u></p> <p>Failure to deliver innovative open focussed culture in the Trust impacts on service and financial performance and Vision.</p>	<p><u>Strategic risk 16:</u></p> <p>Failure to deliver IT Strategy / Plan.</p>
<p><u>Key actions taken during 2015/16:</u></p> <ul style="list-style-type: none"> <li>• Assumed responsibility for the step down pathway from acute care from December 2015</li> <li>• Appointed the prime contractor for respiratory, heart failure and diabetes in local health economy December 2015</li> <li>• Integration of County Hospital in to the Trust's operations</li> <li>• Continuing to expand tertiary capabilities and capacity to service wider populations</li> <li>• Development of clinical networks with Mid Cheshire Hospitals NHS Foundation Trust (MCHT)</li> <li>• Initial discussions with CCGs and Staffordshire and Stoke-on-Trent Partnership NHS Trust (SSOTP) about the Trust taking responsibility for community beds</li> </ul>	



<b>STRATEGIC OBJECTIVE 5: CREATE A RESILIENT URGENT AND EMERGENCY CARE SYSTEM AND INCREASE INTEGRATED HEALTHCARE PROVISION</b>	
<p><u>Strategic risk 17:</u></p> <p>Inability to deliver admissions reduction plan and discharge levels increases bed occupancy.</p>	<p><u>Strategic risk 18:</u></p> <p>Trust fails to recruit staff in key shortage areas, e.g. theatres, nursing, critical care, therapies to deliver new service models or planned capacity.</p>
<p><u>Strategic risk 19:</u></p> <p>Commissioner reconfigurations create slow pace of change.</p>	<p><u>Strategic risk 20:</u></p> <p>Failure to agree and implement with commissioners an integrated care strategy and plan.</p>
<p><u>Strategic risk 21:</u></p> <p>Inability to secure management capacity, rigour and capability to secure strategy and plans and create a patient centred culture.</p>	
<p><u>Key actions taken during 2015/16:</u></p> <ul style="list-style-type: none"> <li>• Assumed responsibility for the step down pathway from acute care</li> <li>• Appointed the prime contractor for respiratory, heart failure and diabetes in local health economy</li> <li>• Proposals being considered by CCGs for a fully integrated urgency and emergency care network</li> <li>• Integration of County Hospital in to the Trust's operations</li> <li>• Development of clinical networks with MCHT and The Royal Wolverhampton NHS Trust (RWT)</li> <li>• Award of the contract to manage step-down services leading to improved discharge arrangements</li> <li>• Initial discussions with CCGs and SSOTP about the Trust taking responsibility for community beds</li> <li>• Pilot responsibility for delivering long term condition contracts for diabetes, respiratory, heart failure</li> <li>• Delivery of Service Delivery Implementation Plan</li> </ul>	



There have been no data security breaches or lapses during 2015/16 that have required the advice of the Caldicott Guardian or reporting to the Information Commissioner.

As is evident from the above, financial risk remains the highest strategic risk for the Trust and such risks are managed through a series of financial controls. These are contained within a financial risk register which is reported to the Finance and Efficiency Committee via a regular reporting framework. The Trust Executive Committee receives a monthly financial report and a contract management and income report. These reports set out key financial performance and risk issues and progress on achieving a resolution to outstanding issues.

The Trust continues to have a significant financial risk with an estimated outturn deficit for 2015/16 of £24m. The financial plan for 2016/17 includes a planned deficit and funding issues remain a constant theme of dialogue with NHS Improvement and local commissioners.

#### 4.4 The Risk and Control Framework

The Risk and Control Framework is an integral part of good management practice and the aim has been to ensure risk management has been integral to the Trust's culture and an increasingly important element of the Trust's business planning process, budget setting and performance review frameworks. The risk management process is supported by a number of policies which relate to risk assessment including incident reporting, information governance, training, health and safety, violence and aggression, complaints, infection control, whistle blowing, human resources, consent, manual handling and security.

The Audit Committee monitors and oversees both internal control issues and the assurance processes for risk management. The Board and its Committees receive reports that relate to the identification and management of strategic risks through both the Board Assurance Framework

and as part of performance reports identifying the degree of compliance with the strategic objectives, NHS constitutional standards and other national and locally agreed targets.

The Trust's Risk Management Policy and Strategy which had previously been reviewed during 2014/15 was further updated during 2015/16. This followed a Trust-wide review of risk management undertaken and subsequently reported in August 2015.

The Risk Management Review made a number of recommendations for improving risk management processes throughout the Trust and an action plan for meeting the recommendations was agreed at the Trust's Executive Risk Oversight Group (that reports to the Trust Executive Committee) in September 2015.

A main thrust of the recommendations was for improved risk management processes and understanding within divisions and directorates. As a consequence a Risk Management Training Programme was established and delivered to all relevant staff in Divisions and Directorates from November 2015 to March 2016 providing a much improved solid foundation for robust risk management at all levels within the Trust.

The Trust's Risk Management Policy and Strategy is available to staff via the Trust Intranet and sets out the processes for managing risk at all levels of the Trust. The policy identifies that the Chief Executive has overall responsibility for risk management within the Trust.

The Strategy sets out that all directors, managers and clinicians are required to accept the management of risks as one of their fundamental duties. Additionally, the Strategy sets out that every member of staff must be committed to identifying and reducing risk. In order to achieve this, the Trust encourages staff at all levels to report when things have or have the potential to go wrong, allowing open discussion to prevent any re-occurrence.



A further recommendation of the Risk Management Review was to strengthen the role and operation of the Executive Risk Oversight Group which set out to provide stewardship and a cohesive corporate overview of the risk management process, providing support and leadership on the management of risk within Divisions. The Group now has a greater focus on reviewing the corporate risks (those scoring over 12) at a Divisional level and scrutiny and challenge of the risk scores, mitigations in place and planned further actions and timescales to reduce scores.

In addition to the Risk Management Training Programme developed and delivered during 2015/16, other training continued to be delivered to meet local and individual needs and was assessed as part of the annual formal staff appraisal process. Mandatory training modules are delivered to key personnel and cover the reporting, investigation, management and handling of incidents.

Corporate Induction includes key elements of risk management. Learning from incidents and good practice has been considered at the Quality and Safety Forum and Risk Management Panel in addition to within divisions and directorates at department and ward level. Identified groups of senior staff are trained in Root Cause Analysis (RCA), which is carried out on all Serious Incidents that require investigation. Learning from RCA is disseminated in a number of ways.

The Trust has several key groups where employees are supported to learn from good practice in risk management. These include the work of the Risk Management Panel, the Quality and Safety Forum, health economy wide Serious Incident (SI) Sub Group and a range of specialist groups including Mortality Review, Infection Control and Medication Safety meetings.

Key reporting is embedded into risk assessment and assurance processes as evidenced through the Quality and Experience Report which is

reported to the Quality Assurance Committee and to the Public Trust Board.

The Trust operates a whistle-blowing policy to provide staff with an open process whereby they may raise any issues of concern, so as to protect patients and staff from harm and the organisation from risk. The policy is in the process of being updated following the national requirement included within the NHS contract for 2016/17 for NHS Trusts to have a local guardian in place with the aim of improving the culture and the ability for staff to raise concerns.

Embedding risk management has therefore been strengthened throughout the Trust during 2015/16 and risk reporting at divisional and directorate levels through the divisional management governance structures has improved.

The culture of the Trust has aided the confident use of the incident reporting procedures throughout the Trust. Online reporting enables tight management of incident reporting and more efficient reporting by category.

The Trust has required all clinical and non-clinical incidents, including near misses, to be formally reported. Members of staff involved in or witnessing such an incident have been responsible for ensuring that the incident has been reported in compliance with the policy and associated procedural documents.

When an incident has occurred and there is a remaining risk, all practical and reasonable steps are taken to prevent re-occurrence. The line manager is responsible for the provision of primary support for staff involved in the incident and this is made available to them immediately.

Any incidents which are considered serious are escalated as appropriate and a decision is taken as to whether the incident should be treated as a Serious Incident requiring an Investigation (SIRI). All SIRIs must be investigated using the Root Cause Analysis (RCA) methodology. All SIRIs are



reported and managed in accordance with the national framework.

All new and revised policies undergo an equality impact assessment as part of the approval process.

#### 4.5 Review of the Effectiveness of Risk Management and Internal Control

The governance framework within the Trust has a system of internal control which 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 on-going process designed to identify and prioritise the risks to the achievement of the Trust's policies, aims and objectives and evaluate the likelihood of those risks being realised and the impact should they be realised and to manage them efficiently, effectively and economically.

The system of internal control has been in place at the Trust throughout 2015/16 and up to the date of approval of the Annual Report and Accounts for 2015/16.

External assessments and inspections regarding quality and efficiency standards are numerous and include many undertaken at a service level. Trust-wide assessments include the following.

##### 4.5.1 NHSLA and Care Quality Commission (CQC)

The Quality, Safety and Compliance Department, led by the Chief Nurse and the Medical Director, is responsible for seeking assurance that the Trust is compliant with the CQC standards. Whilst NSHLA no longer undertake inspections, the Trust agreed to adopt the principles as part of the Trust's compliance framework. The Trust had a comprehensive CQC inspection in April

2015 and the Trust received an overall rating of requires improvement. A CQC improvement plan was developed that not only addressed the CQC MUST and SHOULD actions but also highlighted CQC comments for consideration. This approach was adopted on the basis of the Trust's commitment to receive an overall rating of outstanding at the next inspection. This report was presented at the Trust Board. Implementation of the actions is monitored via the Trust Compliance Steering Group and in March 2016, an internal audit was commissioned to seek assurance that actions, from the CQC improvement plan, identified as having been implemented (rating of green) had robust evidence to support that decision. The internal audit report confirmed that 91% of those actions had sufficient evidence to support that decision.

Moving forward, a proposal has been submitted (and agreed at Compliance Steering Group) to undertake twice yearly internal audit reviews. Monitoring of implementation and review of evidence will be centralised via a tracker system and in addition, the development and implementation of the Clinical Excellence Framework (based on CQC domains) supports clinical teams to identify areas of excellence and areas for improvement; working towards the overall rating of outstanding as described above.

A compliance and effectiveness report is presented at the Quality and Safety Forum on a quarterly basis; which includes the elements described above. This report is also received at the Quality Assurance Committee; a summary of which is presented at Trust Board. Details of progress against the CQC improvement plan are also presented at the Trust Executive Committee/ Clinical Quality Review Meeting and NTDA.

The Trust has a robust compliance framework and is fully compliant with the registration requirements of the Care Quality Commission.





### 4.5.2 Information Governance Toolkit

Risks relating to information are managed and controlled in accordance with the Trust’s Information Governance (IG) Policy through the Information Governance Steering Group, and associated working groups, chaired by the Senior Information Risk Officer (SIRO) and Caldicott Guardian.

The Medical Director, as Caldicott Guardian, is responsible for the protection of patient information. All information governance issues are integrated through the Information Governance Steering Group. The Board receives a report regarding its systems of control for information governance via the Quarterly Patient Outcomes Report and these include satisfactory completion of the Trusts annual self- assessment against the Information Governance Toolkit, mapping of data flows, IG ward audits, monitoring of access to data, and reviews of incidents.

The Trust completed the Information Governance Toolkit assessment for 2015/16 and achieved a score of 87%, achieving level 2 or above for 45 out of 45 requirements; this grades the Trust as “satisfactory with action plan”. Compliance with IG training continues to be monitored across the Trust.

During the financial year 2015/16, no data breaches were reported to the Information Commissioner’s Office (ICO) and therefore no formal action or monetary penalty was imposed against the Trust by the ICO.

### 4.5.3 Risk Identification and Evaluation

Risks are identified via a variety of mechanisms, which are briefly described below. All areas within the Trust report incidents and near misses in line with the Trust’s Incident Reporting Policy. Details of incidents are reported through the Divisional Governance Groups, the weekly Quality Panel and to the Quality and Safety Forum.

Risk Assessments, including Health and Safety and Infection Control Audits are undertaken throughout the Trust. Identified risks at all levels are evaluated using a common methodology based on a 5 x 5 risk scoring matrix as shown below.

		RISK SCORING MATRIX				
		Consequence Score				
		1	2	3	4	5
Likelihood	1	1	2	3	4	5
	2	2	4	6	8	10
	3	3	6	9	12	15
	4	4	8	12	16	20
	5	5	10	15	20	25

Risks are categorised into 4 levels as follows:

- Low – with a score between 1 and 3
- Moderate – with a score between 4 and 6
- High – with a score between 8 and 12
- Extreme – with a score between 15 and 25

Other methods of identifying risks are:

- Complaints and Care Quality Commission reports and recommendations
- Inquest findings and recommendations from HM Coroners
- Health and Safety visits
- Clinical audit
- Quality Walkabouts
- Medico-legal claims and litigation
- External benchmarking
- Peer reviews
- Royal College/Deanery visits

Ad hoc risk issues are also reported through our ‘safety monitoring groups’ as appropriate, for example, Health and Safety Committee, Safe Medications Group, Risk Management Panel and



Safeguarding Group. These will include:

- Incident reports and trend analysis
- Internally generated reports
- Internal and external audit reports

Identified risks are added to the Risk Registers and reviewed to ensure that action plans are being carried out and that risks are being added or deleted as appropriate.

Key operational risks (with scores of over 12) are reported to the Executive Risk Oversight Group (which reports to Trust Executive Committee) as part of the Corporate Risk Register, in addition to Divisional Boards regularly considering extreme and new risks.

Every quarter, the Board reviews the Board Assurance Framework (BAF), which identifies the key strategic risks for the organisation and the assurances associated with those risks.

#### 4.5.4 Review of Effectiveness of Risk Management and Internal Control – Summary

The objectives as set out in the Trust's Internal Audit Plan include ensuring the economical, effective and efficient use of resources and this consideration is applied across all of the work streams carried out. The findings of internal audit are reported to the Board through the Audit Committee and any recommendations arising from internal audit are tracked centrally to ensure that they are acted upon.

The Trust has made assumptions in the revised acquisition business case in relation to its ability to generate efficiencies and productivity benefits at County Hospital. This represents both a challenge and a risk given the recent history of non-delivery on this agenda by MSFT, and an opportunity as we seek to utilise our experience and greater potential for economies of scale.

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system

of internal control. My review is informed by the work of the Internal Auditors, clinical audit and the executive managers and clinical leads within the Trust who have responsibility for the development and maintenance of the internal control framework.

I have drawn on the content of the Quality Account and other performance information available to me.

My review is also informed by comments made by the External Auditors in their annual audit letter. Additionally, a review of Risk Management was undertaken during 2015/16 and reported to Executive Risk Oversight Group in August 2015 at which a series of actions were agreed in order to meet the recommendations.

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, Audit Committee, Internal Audit and External Audit. The system of internal control is reviewed and plans to address any identified weaknesses and ensure continuous improvement of the system are put in place.

The process applied in maintaining and reviewing the effectiveness of the system of internal control includes:

- The maintenance of a view of the overall position with regard to internal control by the Board through its routine reporting processes and its work on corporate risks
- Review of the Board Assurance Framework and the receipt of internal and external reports on the Trusts internal control processes by the Audit Committee
- Personal input into the controls and risk management processes from all Executive Directors and senior managers and individual clinicians
- Quarterly reports from the Quality, Safety and Compliance Department regarding national and local audit



The Board's review of the Trust's risk and internal control framework is supported by the Head of Internal Audit Opinion which provides me with an opinion on the overall arrangements for gaining assurance through the Board Assurance Framework and on the controls reviewed as part of internal audit's work.

The Head of Internal Audit Opinion for 2015/16 states:

"The organisation has an adequate and effective framework for risk management, governance and internal control. However our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective."

The opinion provides significant assurance that there is generally a sound system of internal control, designed to meet the organisations objectives and that controls are generally being applied consistently. However, through specific internal audit reports some weaknesses were identified that put the achievement of particular objectives at risk, specifically relating to two red opinions (no assurance) reports and five amber/red opinions (partial assurance) reports issued during 2015/16.

The two red (no assurance) reports issued were:

- Use of Nurse Agency Staff: the audit review identified that whilst there were detailed controls and authorisation levels included in the Nursing Directorate Guidelines for Administration and Management of Bank and Agency Nursing Staff, these were often not implemented at an operational level, or the systems in place did not offer a facility to confirm that the required authorisation processes had been completed.
- Overseas Patients Process Overseas Patients Process – the audit review identified that the Trust had a Policy and Procedure for the Management of Overseas Visitors (Overseas Policy) but it was not being consistently

complied with. The key reason for this is that staff at the Trust were not aware of the Policy, and/or do not understand their role in the identification of potential Overseas Patients. Other key issue identified which have impacted on the audit conclusion were:

- o The Private Patients Co-ordinator and Contracting Assistant had not been alerted to any potential Overseas Patients at County Hospital in order to conduct the Stage 2 questionnaire interview.
- o Lack of compliance with the Policy with regards to regular reports being generated from iPM and Medway on patients coded as Overseas Patients.
- o Concerns around the data quality of information being recorded on iPM and Medway.
- o A number of forms being in use which fell outside of the Overseas Policy, but may be better suited to collect the information required from patients.

The review of the patient data in the iPM and Medway systems (from reports generated for audit purposes) identified that the patients coded as Overseas Patients did not match to the number of Overseas Patients alerted to the Stage 2 Officers. As a result of the audit findings, it was not possible to quantify the actual number of Overseas Patients that had accessed the Trust's services based on the data included with iPM, Medway or the Overseas Database.

The five amber/red (partial assurance) reports issued were:

- Data Quality: Venous Thromboembolism (VTE) Performance – the audit review identified a number of issues in relation to VTE assessments not being fully completed within the patient notes, and also not being fully recorded within the Ward Information System (WIS) at Royal Stoke University Hospital site and the Medway system at the County Hospital site.



- Consultant Job Planning – the audit review identified that the job planning process had evolved over the previous 12 months. However, taking account of prior audit recommendations and acknowledging the additional consultants which transferred to the Trust from the former MSFT, a number of further improvements and enhancements to the consultant job planning process were identified to aid the Trust in the 2016/17 consultant job planning cycle that commenced in October 2015.
  - Creditors – the audit review established that the Trust's control framework for managing and monitoring Creditors was adequately designed, in relation to the areas considered as part of the review. However, in relation to the application and compliance of the control framework the audit identified that there were a number of improvements which needed to be made to strengthen the application of the control framework.
  - Payroll: Trust Processes up to 15 December 2015 – the audit review confirmed that the Trust's control framework for processing its payroll documentation was adequately designed, in relation to the areas considered. However, the review identified that there were a number of improvements which needed to be made to the application and compliance of the control framework, in particular:
    - o Payroll forms should be approved in line with the authorised signatory list (ASL) prior to forwarding them on to the payroll provider for processing.
    - o Trust managers should be reminded of the importance of appropriately approving payroll forms in line with the ASL, as this could result in delayed payments for new starts, or overpayments where an employee has left the Trust.
    - o As a new payroll provider, RWT should be provided with an up to date ASL.
  - IT Disaster Tolerance and Resilience – the audit review confirmed that the Trust had established a solid foundation for its IT Disaster Tolerance and Resilience arrangements, with regular backups taken of business critical systems. When considering the opinion of this review, the auditors took into consideration that a backup schedule was in place and that some resilience had been built into the network as well as implementing the Dell Compellent systems, a number of improvements have been identified. When fully introduced, these improvements will not only aid the Trust's IT Disaster Tolerance and Resilience arrangements, but will also improve the assurances and support that these arrangements, in particular:
    - o Whilst we noted that the Trust has made an assessment of business critical systems, this has not been fully completed and appropriately approved;
    - o The Trust have developed an IT Disaster Recovery (DR) Policy, this is in draft and is awaiting completion;
    - o Third party assurance of the recovery capabilities of any key system linked to the Private Finance Initiative (PFI) are not actively sought to ensure that the systems can be recovered in the event of a disaster;
    - o Backups checks are not fully documented and backup data is retained for only three weeks;
    - o The Trust does not have a scheduled backup test and restore procedure to ensure that the backup data can be used to restore services and data in the event of loss;
    - o Access to server rooms is controlled via swipe card access, However, the Estates Department and picture archive and communication system (PACS) team each have one card that is shared within each team; and
    - o Not all business data is written to the Dell Compellent solution.
- The Audit Committee has considered each of these reports and the summary of the control weaknesses identified by internal audit has and will continue to monitor action being taken.



The Audit Committee has also received reports from the Trust’s external auditors during the year. As well as issuing an unqualified opinion on the financial statements the external auditors were satisfied that in all significant respects the Trust had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2016, except for the financial position. The cumulative deficit at 31 March 2016 and planned deficit for 2016/17 are evidence of weaknesses in arrangements in respect of the Trust’s sustainable resource deployment.

#### 4.6 Significant Issues

Over and above those issues identified above within the Annual Governance Statement, there are no further significant issues that may have prejudiced the achievement of priorities or undermined the integrity or reputation of the NHS that may have put at risk the delivery of the standards expected of myself as Accountable Officer.

Section 3, Risk Assessment above provides full details of each of the 21 strategic risks for the Trust against each of the five strategic objectives agreed by the Board as part of the Annual Plan for 2015/16.

These strategic risks have to an extent prejudiced the achievement of the Trust’s priorities for 2015/16.

The risks impacting upon the achievement of the following strategic objectives have largely been mitigated to ensure that those objectives were not prejudiced:

- Delivering quality excellence for patients
- Achieve excellence in education, training and research

However, despite mitigating actions as detailed in section 3, there remain extreme risks against each of the other three strategic objectives that have prejudiced the achievement of the following objectives:

- Delivering our obligations to the taxpayer
- Create an integrated trust and develop strategic alliances with neighbouring trusts
- Create a resilient urgent and emergency care system and increase integrated healthcare provision

Continued actions are planned and included within the Trust’s Operational Plan for 2016/17 and longer term Integrated Business Plan.

I am satisfied that all internal control issues raised have been, or are being, addressed by the Trust through appropriate action plans and that the implementation of these action plans is monitored and reported to Audit Committee.

<b>Signed:</b>	<p style="text-align: center;"><b>Robert Courteney-Harris</b> Acting Chief Executive and Accountable Officer</p>
<b>Date:</b>	<b>27 May 2016</b>





# Glossary

A&E	Accident and Emergency
AMU	Acute Medical Unit
CCG	Clinical Commissioning Group
CQC	Care Quality Commission
DoH	Department of Health
GP	General Practitioner
HR	Human Resources
HSMR	Hospital Standardised Mortality Ratio
IM&T	Information Management & Technology
LHE	Local Health Economy
MRSA	Methicillin-Resistant Staphylococcus Aureus
MSFT	Mid Staffordshire NHS Foundation Trust
NHS	National Health Service
NTDA	The NHS Trust Development Authority
R&D	Research and Development
RWT	The Royal Wolverhampton NHS Trust
PFI	Private Finance Initiative
SAU	Surgical Assessment Unit
TSA	Trust Special Administrator
UHNM	University Hospitals of North Midlands NHS Trust
WTE	Whole Time Equivalent



UHNM NHS Trust  
Royal Stoke University Hospital  
Newcastle Road  
Stoke-on-Trent  
ST4 6QG

01782 715444

[www.uhn.nhs.uk](http://www.uhn.nhs.uk)