



This annual report covers the period
1 April 2015 to 31 March 2016

Annual Report and Accounts 2015/2016



**University Hospitals Birmingham NHS Foundation Trust
Annual Report and Accounts 2015/2016**

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of the National Health Service Act 2006

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Section 1 **Annual Report** **2015/2016**



1 Overview of performance

University Hospitals Birmingham NHS Foundation Trust (UHB) is one of the highest performing NHS organisations in Europe with a proven international reputation for its quality of care, information technology, clinical education and training and research. The Trust was established in 1995 and was amongst the first to be awarded foundation trust status by Monitor in July 2004.

UHB is a regional centre for cancer, has the second largest renal dialysis programme in the UK and has the largest solid organ transplantation programme in Europe. It also provides a series of highly specialist cardiac and liver services and is a major specialist centre for burns and plastic surgery. The Trust is also a regional Neuroscience and Major Trauma Centre and is world-renowned for its trauma care. The Royal Centre for Defence Medicine (RCDM), hosted by UHB, has, since 2001 been the primary receiving unit for all military patients that are injured overseas. This combined experience of treating trauma patients and military casualties has led to the development of pioneering surgical techniques in the management of ballistic and blast injuries, including bespoke surgical solutions for previously unseen injuries. As such it has been designated as a Level 1 Trauma Centre and host of the UK's only National Institute for Health Research (NIHR) Surgical Reconstruction and Microbiology Research Centre (SRMRC).

The Trust employs over 9,000 staff and is the largest single site hospital in the country. The £545m Queen Elizabeth Hospital Birmingham (QEHB) opened in 2010 and has 1,213 inpatient beds, 32 operating theatres and a 100-bed critical care unit, the largest co-located critical care unit in the world. Since the hospital opened the Trust has seen significant growth in demand by patients and GPs for its services and consequently has opened a further 170 beds in the original Queen Elizabeth Hospital, now known as the Heritage Building, as well as a second Ambulatory Care facility and two theatres, to ensure capacity for the increase in the number of patients wishing to be treated at the Trust.

During 2015/16 the Trust has continued to focus on its vision 'to deliver the best in care'. This is underpinned by the Trust's values of honesty, innovation, respect; and responsibility, and core purposes of excellent clinical quality, patient experience, workforce, and research and innovation.

In 2015 the Trust established the West Midlands Genomics Medicine Centre, in partnership with the University of Birmingham as part of the national 100,000 Genomes project to transform diagnosis and treatment for patients with cancer and rare diseases. In July, as part of Birmingham Health Partners, the Trust opened the Institute of Translational Medicine (ITM), a new world class clinical research facility located in the Heritage Building (the former Queen Elizabeth Hospital). The ITM will help to transfer the very latest scientific research findings from the University of Birmingham into enhanced treatments for patients. Alongside the ITM the Trust has established a Centre for Rare Diseases.

In August 2015 the Trust launched an innovative sexual health service for Birmingham and Solihull, having been awarded a five-year contract as lead provider by Birmingham City Council and Solihull Metropolitan Borough Council. Working in partnership with the third sector, GPs and pharmacies, Umbrella will deliver better access to services and better outcomes to the people of Birmingham and Solihull.

In recent years the Trust has been increasingly acknowledged as one of the most successful NHS foundation trusts and the Trust has therefore been asked to provide management support to a number of other trusts, for example supporting George Eliot Hospital NHS Trust to leave special measures within a year and is presently supporting Monitor with an intervention in Heart of England NHS Foundation Trust to improve its clinical, financial and operational position, most notably by sharing its Chief Executive and Chair who have been appointed Acting Chief Executive and Acting Chair since October and November 2015 respectively.

UHB has continued to be one of the best performing foundation trusts in England in 2015/16 despite some significant challenges within Birmingham and the local health economy and the NHS as a whole. It continues to perform well against the majority of the national targets set by Monitor and, despite having set a deficit plan for the first time ever, has outperformed this by delivering a smaller deficit than planned. The Trust continues to offer high quality, safe care. Its well-proven monitoring systems meant that it had identified Cardiac Surgery as an area where care could be improved and established a quality improvement programme prior to the service being inspected by the Care Quality Commission with a distinct focus on improving quality in this particular area in the latter part of the year.

1.1 Details of overseas operations

The Trust has no permanent overseas operations but has continued its work to strengthen the Trust's international reputation and profile through:

- Delivering its international fellowship programme with international partners
- Developing opportunities to share its expertise in new hospital commissioning overseas, particularly with Chinese partners (see below)
- Exploring the potential of providing education
- Sales of the Australasian Healthcare Evaluation Data system through the Health Roundtable and International Hospital Benchmark system with KPMG

Innovating Global Health China Limited is a Hong Kong registered company, established as a Joint Venture between the Trust and Innovating Global Health SA (IGH), for the identification, development and pursuit of healthcare opportunities in China. The Trust and IGH each own 50% shareholdings in Innovating Global Health China Limited.

1.2 Royal Centre for Defence Medicine

University Hospitals Birmingham NHS Foundation Trust is the primary receiving hospital for military personnel injured overseas. The Royal Centre for Defence Medicine (RCDM), nested with the QEHB, works in partnership with UHB and a number of other NHS hospitals in the Birmingham area to support the operational patient pathway, with the majority of casualties receiving treatment at the QEHB.

Established in 2001, the RCDM's primary role is the focal point for the military reception of operational casualties. RCDM is one of the units commanded by the Defence Medical Group (DMG), which also includes the Defence Medical Rehabilitation Centre at Headley Court. DMG's role is to provide highly capable secondary healthcare personnel for operations and deliver the patient pathway. DMG sits under the command of Director Healthcare Delivery and Training, part of Headquarters Surgeon General.

RCDM is made up of approximately 380 uniformed personnel. Most fulfil a clinical role but around 50 personnel work in the Headquarters, with some working in academic positions throughout Birmingham.

The combined experience of the military and medical staff and the civilian doctors, nurses and allied health professionals working together means UHB strives to deliver the best clinical care in the country. The hospital is at the leading edge in the medical care of trauma injuries and the experience gained by the staff working in this busy acute care environment provides the ideal training required for operations.

Military patients are treated on the ward most appropriate to their recovery. Service personnel and their families have the opportunity to use a Day Room on one of the trauma wards, which features welfare facilities to maintain their morale during their hospital stay. Families of patients can also stay at Fisher House, an 18-bedroomed home away from home for families of injured military personnel, during their recovery.

Whilst the NHS provides the treatment to meet the patient's immediate clinical needs, RCDM is uniquely enhanced to provide medical administrative and welfare support to service patients (and their families) admitted from operations. This 'military bubble' concept is necessary for the well-being of the operational casualty and is an integral part of the morale component of fighting power.

1.3 The Trust strategy

UHB continues to focus on the Trust's vision to deliver the best in care. This is underpinned by the Trust's values of honesty, innovation, respect, and responsibility and core purposes of excellent clinical quality, patient experience, workforce, and research and innovation.

The key strategic aims over the next five years are detailed in the diagram right.

These aims are intended to help mitigate key risks for the organisation as well as develop opportunities for the enhancement of its services. Delivery of the strategy is supported by the Trust Annual Plan each year.

Core Purpose 1	Clinical Quality
Strategic Aim	To deliver and be recognised for the highest levels of quality of care through the use of technology, information and benchmarking
Core Purpose 2	Patient Experience
Strategic Aim	To ensure shared decision making and enhanced engagement with patients
Core Purpose 3	Workforce
Strategic Aim	To create a fit-for-purpose workforce for today and tomorrow
Core Purpose 4	Research and Innovation
Strategic Aim	To ensure UHB is recognised as a leader of research and innovation

Clinical Quality

- Management of activity growth
- Decongestion of UHB site
- Improved efficiency/productivity
- New models/settings of care
- Integrated care/budgets
- Extensivist model and home care
- Clinically paper free
- Reduce errors
- Develop further collaboration opportunities
- Support the health economy

Patient Experience

- Safe staffing levels in ED and OP
- 7 day working
- Meet rising patient expectations
- Patients treated in the right place
- Ensure appropriate pathways
- Care closer to home
- Ensure delivery of the 6Cs
- Build on technology
- Enhance UHB's reputation/brand further

5 year strategic aims

Workforce

- Create long term generic training
- Create a more generalist workforce
- Improve ways to introduce new roles
- Maximise the use of technology
- Maximise impact of precision medicine
- Address workforce gaps/risks
- Grow international fellowship programme

Research and Innovation

- ITM and Genomics
- Expand our medical device and healthcare technology portfolio
- Streamline research pathways for performance and contracting
- Attain performance metrics and CLRN target activities
- Increase proportion of research grants which emerge from this site
- Increase collaborations with industry

Key strategic aims

The Trust's values (honesty, responsibility, respect, and innovation) provide the framework within which these purposes are delivered.

1.4 Key issues, risks and uncertainties that could affect the foundation trust in delivering its objectives

The Trust has identified a number of key risks that could affect it in delivering its objectives which are included in its Board Assurance Framework:

Failure to deliver quality outcomes: As detailed above, the Trust has well established systems in place for monitoring quality of care. Controls include regular review of the patient environment, documentation and standards of care at review meetings undertaken by a Matron with ward staff, processes to monitor complaints, patient experience reports at the Executive Chief Nurse's Care Quality Group, regular reviews of mortality, key performance indicators, quality indicators, readmissions, incident reporting trends and outcomes following serious incident investigations monitored monthly at the Medical Director's Clinical Quality Monitoring Group. Where appropriate, outcomes from these are reported to the Board of Directors in the Medical Director's Clinical Quality Monitoring Report.

Failure to deliver infection prevention and control trajectories leading to failure to maintain registration with the CQC or a breach of contract:

Controls in place include the MRSA Reduction Plan, monthly review of risks and controls and compliance to mandatory training which are reported at Infection Prevention and Control Group. Root Cause Analysis (RCA) reviews of all MRSA and *Clostridium Difficile* infection (CDI) cases, local review of CDI RCA and Executive Review of Trust Apportioned cases of MRSA bacteraemia and CDI deaths are also key to addressing this risk.

Significant deterioration in the Trust's underlying financial position resulting in a deficit being reported in excess of planned levels and the Financial Sustainability Risk Rating falling to a 1:

To mitigate the risk that the Trust's financial position has a material effect on quality the Trust's Board of Directors regularly receives updates on the financial plan and the Trust continues to work with NHS Improvement and NHS England to influence the national tariff to ensure that it is paid appropriately to allow it to continue to offer high quality care. The Trust also has in place a robust contract monitoring process with its commissioners to mitigate the risk.

Risk of failure to deliver operational performance targets due to capacity issues: Continued growth in activity challenges the Trust's ability to deliver a number of the national targets. The Trust has adopted a more analytical approach to capacity and demand modelling since 2014/15 and this has been developed further this year, influenced by the models published by NHS Interim Management and Support.

Inability to recruit sufficient numbers of sufficiently skilled staff due to insufficient supply: Various workstreams are in place to resolve this and an Executive-led workforce strategy group oversees this work. The Operational Workforce Group and other groups escalate any risks to the Strategic Workforce Group for resolution.

2 Financial Review

On 1 July 2004 the Trust achieved Foundation Trust status under the Health and Social Care (Community Health and Standards) Act 2003, which brought with it not only a number of benefits and advantages for patients and the community as well as financial freedoms for the organisation, but also different operating and functioning requirements from those of an NHS trust. As a Foundation Trust, the annual accounts have been prepared under a direction issued by Monitor.

2.1 Changes in accounting policies by the Trust in 2015/16

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and International Finance Reporting Interpretation Committee (IFRIC) interpretations as endorsed by the European Union, applicable at 31 March 2016 and appropriate to NHS Foundation Trusts. This is the sixth set of full year results prepared in accordance with IFRS accounting policies.

There have been no significant amendments to accounting standards in 2015/16 affecting the Trust.

2.2 Financial Performance

The Trust's operating revenue increased by over 3% to £757.8 million in 2015/16, ensuring that the Trust remains amongst the largest Foundation Trusts in the country. Like most NHS acute service providers, in 2015/16, the Trust planned for a deficit following the removal and reduction of several streams of NHS funding. The Trust delivered a net deficit (before asset impairments accounting adjustments) of £4.7 million, compared to the planned deficit of £6.6 million.

The net impact of the asset impairments is £15.1 million, taking the Trust's overall retained deficit for the year to a £19.7 million deficit. The impairment reflects two main adjustments;

1. £3.1m increase in building valuation for the Institute of Translational Medicine facility which opened during 2015/16 and
2. £18.1m reduction to the value of other Trust buildings including the impact of the decision to exclude VAT from QEHB asset value in line with recent guidance.

These are both technical accounting adjustments to the accounts rather than actual cash transactions or flow of money. The overall reported financial performance has resulted in the Trust achieving an overall Financial Sustainability Risk Rating 2 (out of 4) from Monitor.

2.3 Income and expenditure

The table below compares the revised planned income and expenditure with the outturn position for 2015/16.

Summary income and expenditure – plan v. outturn

The Trust's consolidated Summarised Income and Expenditure (£m's)		
	Plan 2015/16	Outturn Position 2015/16
Income	729.2	743.1
Expenditure	-707.5	-719.8
EBITDA	21.7	23.3
Depreciation	-21.1	-21.3
Donated Asset Revenue	14.3	14.7
Interest Receivable	0.3	0.3
Interest Payable	-22.3	-22.3
Corporation Tax	-0.2	-0.1
Normalised Surplus / (Deficit)	-7.3	-5.3
Gain on sale of Selly Oak land	0.7	0.6
(Deficit) before impairments	-6.6	-4.7
Impairments on Property	0	-18.1
Reversal of Impairments on Property	0	3.1
Retained (Deficit) / Surplus	-6.6	-19.7

The largest component of the Trust's income is the provision of NHS patient care services to NHS Commissioners (including Local Authorities) in England which accounted for £611.8m (81%) of total income. Other revenue for patient care activities contributed a further £17.3m (2%) which includes income for NHS patients treated from Scotland, Wales and Northern Ireland, private patients, provision of healthcare to the military and costs recovered from insurers under the Injury Cost Recovery scheme.

Following changes to the Health and Social Care Act 2012 (the 'Act'), Monitor removed the requirement for foundation trusts to limit private patient revenue as a percentage of total revenue from activities. In its place, the Act requires that a foundation trust's principal activity is to deliver goods and services for the purposes of the National Health Service in England. Therefore, this clinical revenue ('commissioner requested services') must exceed 50% of total revenues. In 2015/16, NHS clinical revenue in England was 80.9% of total revenue whilst private patient income of £3.5m represented 0.5%.

The Trust has a number of other income streams which are not linked directly to patient care. These include education levies which account for £33.6m (4.5%) of the Trust's income in 2015/16 and funding associated with Research and Development (R&D) activities, which totals £22.9m (3.1%). Education funding comprises the Service Increment for Teaching (SIFT), recognising the cost of training medical undergraduates from the University of Birmingham, the Medical and Dental Education Levy (MADEL), which supports the salary costs of post graduate doctors in training, and the Non-Medical Education and Training (NMET) levy.

R&D income includes grants from the National Institute of Healthcare Research including revenue support for the Wellcome Trust Clinical Research Facility. The balance of the Trust's income is attributable to services provided to other NHS bodies, trading activities and other miscellaneous items.

The largest item of expenditure is salaries and wages, accounting for £393.1m, equivalent to 54.6% of total expenditure. Other significant components include £115.9m on drugs (16.1%) and £94.2m on Clinical Supplies and Services (13.1%).

2.4 Capital Expenditure Plan

During 2015/16 the Trust invested £17.4m of capital expenditure on medical equipment and improvements to existing buildings as summarised below:

Category	Capital Investment £ Million
Brought Forward 2014/15 Programmes	0.9
IT Infrastructure replacement & modernisation	1.1
Trust Buildings	
• ITM	2.1
• New Hospital work and lifecycle	3.5
• Heritage & offsite buildings	1.2
• UHB Facilities Ltd: Rabone Lane site	2.0
Trust Equipment	
• Replacement medical equipment	3.7
• Replacement PET CT & MRI scanner	2.3
• Donated Assets	0.7
TOTAL	17.4

The Trust's planned capital investment on equipment and buildings in 2016/17 is £15.0 million which includes the replacement of medical equipment and IT infrastructure, statutory maintenance works within Trust buildings. In addition, there are capital repayments relating to the new hospital.

The Queen Elizabeth Hospital land is on a long-term lease from Birmingham City Council due to expire 29 September 2932.

2.5 Value for Money

The Trust's 2015/16 Financial Plan included the delivery of £17.8m of efficiency savings across all Trust services. A formal cost improvement programme (CIP) was agreed for across all divisions and corporate functions, which included projects delivering both expenditure reductions and income generation schemes.

In addition to the agreed annual CIP projects, further efficiency savings are realised during the year through initiatives such as ongoing tendering, contract renegotiation, product standardisation, bulk purchases and the use of local, regional and national purchasing frameworks. Weekly reviews of recruitment requests are undertaken for new and existing posts through the Workforce Approval Committee.

2.6 QEHB Charity

The charitable funds for the Trust are administered by QEHB Charity, a separate legal entity from the Trust. In 2015/16 the Trust received grants of £1.1m and donated assets worth £0.9m from the QEHB Charity.

2.7 External Auditor

The Trust's external auditor is Deloitte LLP; the audit cost for the year was £103,000 for the Trusts statutory audit and £20,000 for the subsidiary companies audits. Other work undertaken by Deloitte LLP in year totalled £177,000 which included £52,000 for local counter fraud work and £80,000 for work undertaken on behalf of the West Midlands Academic Health Science Network (AHSN) which is hosted by the Trust.

The appointment of external audit services from 2013/14 to 2017/18 was made by the Council of Governors, following a competitive tender exercise. In addition Deloitte also provide local counter fraud services to the Trust which is the non-audit work stated.

2.8 Basis for the Accounts

The Trust has three operational wholly owned subsidiary companies;

- Pharmacy@QEHB Limited, which commenced trading in 2011, providing an Outpatients pharmacy service in the Queen Elizabeth Hospital Birmingham
- UHB Facilities Ltd, which commenced trading in 2014, providing estate management services
- Assure Dialysis Services Ltd, which commenced trading in 2014, providing renal dialysis services to the Trust


The financial results of the subsidiary companies are consolidated with those of the Trust to produce the group financial statements enclosed.

These group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and International Finance Reporting Interpretation Committee (IFRIC) interpretations as endorsed by the European Union, applicable at 31 March 2016 and appropriate to NHS Foundation Trusts.

There have been no significant amendments to accounting standards in 2015/16 affecting the Trust.

2.9 Going Concern

Based on the performance detailed in these financial statements and the 2016/17 financial plan, the Trust's forecast cash balances will remain sufficient for it to continue meeting its working capital requirements for the immediate future. Therefore, after making enquiries, the directors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the Trust has continued to adopt the Going Concern basis in preparing these accounts.



Dame Julie Moore, Chief Executive
23 May 2016

3 Performance analysis

3.1 What the foundation trust sees as its key performance measures and how it checks performance against those measures

The Trust continues to have a robust and effective framework in place to provide assurance around the quality of care it offers and to monitor organisational performance. The Board of Directors and Executive Director-level groups receive monthly performance reports which present performance against national and local targets and priorities. These reports adopt a risk-based approach to reporting to ensure that the consequences of underachievement are highlighted to the Executive Team and Board of Directors as well as the actions that are in place to improve performance. The framework provides a good level of assurance and supports effective decision-making. UHB also has a Clinical Quality Monitoring Group and a Care Quality Group in place led by the Executive Medical Director and the Executive Chief Nurse respectively. These groups report to the Board of Directors and provide additional assurance and effective accountability around clinical quality and the patient experience. Please see the Trust’s Quality Account for further details.

A report on all the Trust’s key performance indicators, broken down by specialty, ward or department, as appropriate, is sent to key managers across the Trust, including senior medical and nursing staff, highlighting key areas where performance improvement is required. This includes performance data on infection control, cancer, referral to treatment time, diagnostics, emergency care, clinical quality and outcomes, safety, education and training, workforce availability, research and development and efficiency. Any outliers are required to produce a performance improvement plan within a week. These

plans are subject to challenge and progress monitored with additional challenge at the monthly Chief Operating Officer’s Group or the quarterly Performance Review meetings, if required.

The Trust has a very strong informatics capability with information on key performance indicators and clinical quality priorities available to clinical and management staff on its web-based dashboard.

3.2 Development and performance of the foundation trust during the year and performance against key health care targets

As detailed previously under section 1.4 the Trust, and the NHS as a whole, has faced a very challenging year with relentless increases in demand and reduced funding. The increase in attendances and admissions seen over the year, and particularly in the last six months has affected performance against a number of key targets. There are however a number of targets where the Trust has performed less well in previous years where it is now performing more strongly.

The Trust undertook its most robust capacity planning process in recent years ahead of 2015/16 to ensure it had sufficient capacity to deliver the 18 week Referral to Treatment Time (RTT) target on a sustainable basis. Consequently the target was achieved consistently throughout the year on an aggregate basis. There remain certain specialties where it is not being achieved and these have action plans in place and progress is monitored weekly. The Trust has also achieved its *difficile* trajectory for the second consecutive year.

	2013/14	2014/15	2015/16	2014/15 difference	2015/16 difference
Inpatients FCEs	132327	127255	129531	-4%	2%
Outpatient Attendances	736074	759489	789040	3%	4%
ED Attenders	97298	102054	108463	5%	6%
Total	965699	988798	1027034	2%	4%

There are two key national target groupings where the Trust has seen below target performance in 2015/16, A&E and Cancer:

Total Time in A&E

During Quarter 2 the Trust started to see very significant growth in emergency admissions through the Emergency Department that significantly affected flow out of the Department as there was not always an inpatient bed available for patients who needed admission to be transferred to. Consequently performance against the Total Time in A&E target was affected and this target was only achieved over Quarter 1. This growth in admissions accelerated during Quarters 3 and 4 and, in addition, significant growth in the total number of patients attending was seen over these quarters, significantly in excess of that purchased by commissioners, as shown in the table below.

Increase in Emergency Department Attendances and Admissions through ED compared to 2014/15

	Q1	Q2	Q3	Q4	Full Yr
Attendances	1.0%	1.2%	7.2%	16.3%	6.3%
Admissions	0.3%	6.8%	8.9%	15.0%	7.8%

The Trust has a joint action plan in place with its lead commissioner, Birmingham CrossCity CCG, to address the issues of increased attendances, review the pathways for mental health patients who sometimes have extended periods in the department before transfer to a more appropriate setting, and to improve flow across all sectors.

Cancer

As 2015/16 began the Trust was partway through its trajectory to return the cancer targets to achievement. Consequently, in its Annual Plan for 2015/16, the Trust declared a risk to the achievement of four of the national cancer targets included in Monitor's Risk Assessment Framework over Quarter 1: 62 day GP referral, 62 day screening referral, 31 day first treatment and 31 day subsequent surgery.

The Trust's action plan and trajectory indicated that all these targets would be achieved from Quarter 2 onwards. This trajectory was met with the exception of the 62 day GP target. Although this had originally been planned to be achieved, over the year the Trust has seen a further 18% increase in referrals from other providers late in the pathway (including patients referred after the target treatment date). These referrals negatively affect the Trust's performance despite it being impossible for the Trust to treat them in time. A system for the reallocation of the breaches of certain late referrals is to be introduced during 2016/17 however the particular approach to be adopted nationally is unlikely to significantly improve the Trust's performance and

imposes a new implied target of tertiary patients being treated within 24 days of referral rather than the existing 31 days. It is however reassuring that, from Q2 onwards, in line with its plan, the Trust has continued to deliver all the cancer targets that are within its control with the target for patients to be treated within 31 days of a decision to treat being consistently met.

3.3 Progress towards targets as agreed with local commissioners and other key quality improvements

As part of the contract the Trust held with its host commissioner Birmingham Cross City Clinical Commissioning Group and NHS England for the provision of services the Trust is required to report its performance against a number of targets in its monthly Service Quality Performance Report. As the Trust was on the Default Tariff Rollover the Trust did not receive any CQUIN (Commissioning for Quality and Innovation) funding in 2015/16. Other quality improvements are detailed in the Trust's Quality Account.

Apart from those targets included in Monitor's Risk Assessment Framework that were not achieved, as detailed above, the Trust achieved all targets for the full year 2014/15 with the following exceptions:

MRSA

The Trust has seen eight cases of MRSA bacteraemia over the year. These have all been subject to root cause analysis and any issues identified addressed. The Trust has also agreed a comprehensive MRSA reduction plan with its commissioners with actions around staff training, appropriate antimicrobial use and the identification of patients at risk of developing infection. As part of this plan actions are also being implemented to improve performance on the Saving Lives audit programme.

6 Week Diagnostic Waits

The Trust experienced a lack of capacity, particularly in Urodynamics. A remedial action plan was put in place and the target has been consistently achieved since November 2015.

Operations cancelled on the day of surgery and cancelled operations not rearranged within 28 days

The increase in emergency admissions the Trust has seen has resulted in an increase in cancelled operations due to a lack of capacity. A new standard operating procedure is in place including revised escalation procedures both for the initial cancellation and also if a patient is not rebooked for admission within 28 days which has prevented an even higher increase in cancellations.

Nursing Assessments

The Trust's clinical dashboard was relaunched in August 2015. This new system can inform the Senior Sisters/ Charge Nurses on appropriate actions that may be

required to be taken to ensure that all assessments on patients are completed within the required timeframe.

National targets and regulatory requirements	Time Period	2015–16		2014–15	
		Performance	Target	Performance	Target
<i>Clostridium difficile</i> (post-48 hour cases)	Apr 2015 – Mar 2016	24 cases judged lapses in care with 1 case to be determined (66 total)	≤ 63 judged lapses in care	17 cases judged lapses in care (66 total)	≤ 67 judged lapses in care
62-day wait for first treatment from urgent GP referral: all cancers	Apr 2015 – Mar 2016	72.2%	85%	73.8%	85%
62-day wait for first treatment from consultant screening service referral: all cancers	Apr 2015 – Mar 2016	92.8%	90%	89.3%	90%
31-day wait from diagnosis to first treatment: all cancers	Apr 2015 – Mar 2016	95.5%	96%	91.9%	96%
31-day wait for second or subsequent treatment: surgery	Apr 2015 – Mar 2016	93.2%	94%	82.9%	94%
31-day wait for second or subsequent treatment: anti-cancer drug treatments	Apr 2015 – Mar 2016	99.4%	98%	98.5%	98%
31-day wait for second or subsequent treatment: radiotherapy	Apr 2015 – Mar 2016	97.4%	94%	98.0%	94%
Two week wait from referral to date first seen: all cancers	Apr 2015 – Mar 2016	97.2%	93%	95.1%	93%
Two week wait from referral to date first seen: breast symptoms	Apr 2015 – Mar 2016	98.5%	93%	99.9%	93%
18-week maximum wait from point of referral to treatment (incomplete pathways) *	Apr 2015 – Mar 2016	95.0%	92%	93.6%	92%
Maximum waiting time of four hours in A&E from arrival to admission, transfer or discharge	Apr 2015 – Mar 2016	91.9%	95%	94.8%	95%
Self-certification against compliance with requirements regarding access to healthcare for people with a learning disability	Apr 2015 – Mar 2016	Certification made	N/A	Certification made	N/A

* During the year the targets for an 18-week maximum wait from point of referral to treatment for admitted and non-admitted patients were removed from Monitor's Risk Assessment Framework. The target for an 18-week maximum wait from point of referral to treatment for incomplete pathways remains.

3.4 Arrangements for monitoring improvement in the quality of healthcare and progress towards meeting any national and local targets, incorporating Care Quality Commission assessments and reviews and the Trust's response to any recommendations made

The Trust continues to focus on delivering high quality care and treatment to patients. The Trust's Vision remains "to deliver the best in care" to our patients. Its Core Purposes – Clinical Quality, Patient Experience, Workforce and Research and Innovation – provide the framework for the Trust's well-established approach to managing quality which it will continue to implement and develop over the coming year. Its approach is based on reducing the potential for errors and making incremental but significant improvements driven by innovative and bespoke information systems which allow it to capture and use real-time data in ways which few other NHS trusts or foundation trusts are able to do.

Data is provided to clinical and managerial teams as close to real-time as possible through various means such as the Trust's digital Clinical Dashboard. Information is subject to regular review and challenge at specialty, divisional and Trust levels by the Clinical Quality Monitoring Group, Care Quality Group and Board of Directors. An essential part of improving quality at the Trust continues to be the scrutiny and challenge provided through proper engagement with staff and other stakeholders. These include the Trust's Council of Governors, Patient and Carer Council (Wards), General Practitioners (GPs) and local Clinical Commissioning Groups (CCGs).

Key to the Trust's quality improvement is the programme of Executive Root Cause Analysis and Board of Directors' Governance Visits. A wide range of identified omissions in care continue to be reviewed at the regular Executive Care Omissions Root Cause Analysis (RCA) meetings chaired by the Chief Executive. Cases are selected for review from a range of sources including an increasing number put forward by senior medical and nursing staff: wards selected for review, missed or delayed medication, Serious Incidents Requiring Investigation (SIRIs), serious complaints, infection incidents, incomplete observations and cross-divisional issues.

The Trust's Executive Medical Director is the named executive lead for Clinical Quality. He chairs the Trust's Clinical Quality Monitoring Group where all aspects of clinical quality are monitored, discussed, challenged and driven forward. A monthly report to the Board of Directors or Clinical Quality Committee ensures that the Board is informed and able to take action, if required, in relation to matters of clinical quality.

3.5 Regulatory Action

The last full inspection by the Care Quality Commission

took place in January 2015 with the report published in May 2015. This inspection assessed the Trust's full range of services against the five key questions the CQC uses:

- Are they safe?
- Are they effective?
- Are they caring?
- Are they responsive to people's needs
- Are they well-led?

The CQC gave the Trust an overall rating of 'Good' with 'Good' ratings in the four of the five main domains (Safe, Effective, Caring and Responsive) and an 'Outstanding' rating for Well-led.

The CQC subsequently undertook a focussed inspection of Cardiac Services in December 2015, following the release of national audit data that showed the Trust to be an outlier for in-hospital survival rates. The inspection identified some concerns around the leadership, culture and governance of the service.

Prior to the CQC inspection, Cardiac Surgery had already identified that improvements were required and the Executive Medical Director had established a Cardiac Surgery Quality Improvement Programme (CSQIP). This programme was aimed at addressing the majority of the concerns subsequently identified by the CQC.

As a result of the CQC inspection, the Trust is required (under a formal Section 31 CQC notification) to undertake 2 specific actions:

- To commission an External Review of this service which will have been completed before the start of 2016/17
- To submit to the CQC weekly patient outcomes and safety data based on the national audit dataset

The External Review of the service has been undertaken and the report is awaited and the Trust continues to submit weekly data to the CQC, as required. The CQC have acknowledged that the data submitted to date shows an improvement in outcomes and the Trust's internal CSQIP continues.

3.6 Consultation

The Trust is committed to involving staff in decision-making and keeping them informed of changes and developments across the organisation. It works hard to ensure its staff are aware of the key priorities and issues affecting the Trust – this has been particularly important with the changes to the NHS and financial environment. The Trust's vision and values are at the heart of everything it does and for its staff to 'deliver the best in

care' has to mean their involvement in decisions and a commitment from Trust management to meaningfully consult and communicate.

UHB's range of well-established communication channels includes a bi-monthly team briefing from the Chief Executive and a weekly online publication called 'In the Loop'. The Trust magazine, news@QEHB and the corporate induction programme are valuable sources of information for new recruits. The Trust's intranet is also a central source for policies, guidance and online tools. Staff are able to directly access information which affects them individually, eg. payslips, training records, absence records, via the Trust's staff portal me@QEHB. There is also a section called AskHR which contains frequently-asked HR questions, template letters and links to the Trust's Policies and Procedures. The portal is available 24 hours a day so staff and managers can access it whenever they need to and get advice outside normal office hours.

The Trust works in partnership with staff representatives to ensure employees' voices are heard. The Trust Partnership Team meets monthly, acting as a valuable consultative forum. The forum includes Executive Directors and management representatives from across all specialities to ensure that the knowledge required to give representatives meaningful information is available. The group looks at policy and pay issues in addition to organisational changes, future Trust developments and financial performance. Staff throughout the Trust are encouraged to voice opinions and get involved in developing services to drive continuous improvement.

3.7 Policies in relation to disabled employees and equal opportunities

Disabled employees have regular access to the Trust's Occupational Health Services including ergonomic assessment of the workplace to ensure that access and working environment is appropriate to their needs. Staff who become disabled whilst in employment have access to these services and are also supported in moving posts with appropriate adjustments, should it become inappropriate for them to continue in their original post. The Trust utilises organisations such as Access to Work, Autism West Midlands, Guide Dogs, Action for Blindness, and Action for Hearing for specialist advice to enable disabled staff to continue working at the Trust where possible.

The Trust also ensures that staff with disabilities are able to access training opportunities. When booking on to training courses staff are asked if they have any special needs or requirements. If this is the case, arrangements are made. This includes the use of hearing loop facilities.

A number of courses are also provided which focus on equality and diversity issues, and this includes equality and diversity workshops, disability awareness training, equality impact assessment training, cultural awareness

workshops, recruitment and selection and deaf awareness programmes. All new staff receive information on equality and diversity issues during their induction. In addition a facility is provided for staff who wish to improve upon their literacy and numeracy skills. Support can also be utilised via the Learning Hub at the Trust.

The Trust is committed to the 'Positive about Disabled People' initiative and was awarded the 'two ticks' symbol by Job Centre Plus which recognises employers as having appropriate approaches to people with disabilities. This requires employers to meet the following standards:

1. To interview all applicants with a disability who meet the minimum criteria for a job vacancy and consider them on their abilities
2. To ensure there is a mechanism in place to discuss at any time, but at least once a year, with disabled employees what can be done to make sure they can develop and use their abilities
3. To make every effort when employees become disabled to make sure they stay in employment.
4. To take action to ensure that all employees develop the appropriate level of disability awareness needed to make the commitments work
5. Each year to review the commitments and achievements, to plan ways to improve on them and let employees and the Employment Services know about progress and future plans

The Trust's commitment to candidates with disabilities is outlined in its Information for Applicants which is attached to all job advertisements.

Managers are required to promote the recruitment of all diverse groups and are required to complete Equality and Diversity training.

The Learning Hub provides employment placement programmes for a six-week period for members of the local community who are looking for work. During this period trainees will be able to experience first-hand job roles available within the hospital. They will also receive advice and guidance on life-coaching skills, career guidance and job preparation, practical support and mentoring. As of the end of February 2016 the Learning Hub has supported 160 people into work over the last 12 months of which 25% were 18–24 year-olds. A further 60 clients are awaiting a start date. Combined outputs to date demonstrate that the Learning Hub has supported 2,200 clients into employment from when the Trust began offering its employability programme.

 www.learninghub-uhb.co.uk

Courses delivered to date:

- **Prince's Trust "Get into Hospitals"**
Three programmes delivered (May 2015, Aug 2015 and Feb 2016) with 48 clients participating (of which 19 have just started and are awaiting placements). To date there have been 18 job offers made which is a 62% success rate of young people who have completed the programme receiving an offer of employment.
-  www.bvsc.org/news/get-hospital-services-princes-trust
- **RISE (Raising Individuals' Skills for Employment) – 18-24 homeless young people**
Three programmes have been delivered (Apr 2015, Sept 2015, Jan 2016) with 24 clients participating. To date there have been 14 job offers made which is a 58% success rate of young people who have completed the programme receiving an offer of employment.
- The Learning Hub won the silver award in the Best Public Sector Programme category at the Training Journal Awards 2015 for their Gold programme, which aims to help clients aged 50+ back into work.

All Trust policies and procedures are equality impact-assessed to ensure that they have no adverse impact due to disability (or any of the other protected characteristics as per the Equality Act 2010).

3.8 Social and Community Issues

The Trust is key to Birmingham's regeneration. The health and social care sector as a whole accounts for over 10% of the West Midlands' gross domestic product and the Trust itself is one of Birmingham's largest employers. The QEHB, adjacent to the University of Birmingham, has created one of Europe's largest academic/medical complexes. It is a catalyst for the regeneration of south Birmingham, based on Life Sciences.

The Trust's contribution to regeneration is to deliver the best in care through world-class clinicians in a world-class environment aided by medical technology and translational research. In turn this helps reduce social exclusion and increases prosperity in Birmingham and the broader West Midlands.

3.9 Reducing Disadvantage

A key priority for the Trust has been to broaden access to the jobs and training healthcare has to offer to unemployed people, particularly those living in the most disadvantaged parts of the city. The training projects, based in the Learning Hub, have enabled nearly 2,200 people to gain a job – with 192 trainees gaining employment/or an offer of employment in 2015/16.

The Learning Hub provides new, purpose-built accommodation to train unemployed people into entry level healthcare jobs and to help existing staff where they lack a basic skill. The Trust continues to run the Learning Hub on behalf of the whole health and social care sector. A key example of this during 2014/15 and 2015/16 has been the provision of pre-apprenticeship training for Birmingham Community Healthcare and Sandwell and West Birmingham Hospitals NHS trusts. The latter is a particularly innovative programme (called RISE) providing intensive training for young homeless people. Six intakes have been funded by Health Education West Midlands with trainees nominated by the St Basil's Charity and apprenticeships provided by Sandwell and West Birmingham Hospitals NHS Trust (which also offers accommodation). Some 57 homeless clients have been referred, of which 51 completed training; 14 have started an apprenticeship; nine have been offered an apprenticeship and are awaiting clearances to start; one has taken up a permanent NHS job and one has secured a retail position. In 2016/17 the Learning Hub will also be working with Birmingham Social Services and extending its offer of the RISE programme to young care leavers.

The majority of the Learning Hub's pre-employment training provides induction and placement in a ward, technical or administrative area. Experience shows this is invaluable in gaining unemployed people a job.

The Learning Hub continues to work in partnership with external organisations. In particular, the relationship with the Prince's Trust has gone from strength to strength. To date there have been 13 "Get into Hospitals" programmes delivered with a further five booked throughout 2016. Following the pilot Traineeship delivered in March 2015 with the Prince's Trust and Advanced Personnel Management (formerly Pertemps People Development Group), we are planning to deliver a second programme. This has been scheduled for May but will be delivered by the Prince's Trust and the Learning Hub as APM are unable to commit at this time.

Birmingham City Council has recently secured European Social Funding to provide training for 18-29 year old Birmingham and Solihull residents. Within this contract there are six delivery partners of which healthcare is one. UHB is the lead partner within this partnership and will be coordinating training, placements and claims as well as being one of two training delivery sites. The duration of the contract is 1 January 2016 – 31 July 2018.

The Learning Hub continues to provide a focal point for the Trust's relationships with disadvantaged communities and third sector organisations. Links with voluntary organisations supporting the homeless are being developed through the RISE project and the Learning Hub has been instrumental in involving Bromford Housing Group in projects across the Trust, eg with Renal and ED services. UHB is represented on the steering group of the Birmingham and Solihull Talent Match programme. This major Lottery-funded initiative, led by

Birmingham Voluntary Services Council, aims to provide training and employment support for young people furthest from the labour market.

UHB in partnership with The Trussell Trust and the hospital's Faith and Community Centre, has just started to operate a food collection point to which members of staff, patients or visitors can donate food items to help those in real need. Staff can use this resource by giving vouchers to patients who are in need of support. This may come in the form of a Trussell Trust referral voucher, which can be redeemed at a food bank for a three-day supply of food, or, out-of-hours, staff will be able to supply an emergency food box for those in need. The Trussell Trust food banks are about more than food. People who are referred to them are also offered practical and emotional support through sign-posting to other agencies, whether for financial advice, counselling services or, in some cases, help with clothing.

In October 2015, the Trust launched a clothing bank and from May 2016 this will enable staff to "draw down" clothes for patients who are assessed as being in need upon their discharge. To date staff, patients and visitors have donated 777.1kg of food which equates to 1,689 meals, and 1,800 kgs of clothes.

3.10 Increasing Prosperity

The hospital is part of Birmingham Health Partners, a strategic alliance between the NHS and University of Birmingham, which sits at the centre of a regional population of over 5 million people. The accelerating patient access to new, innovative medicines and technologies is at the heart of what we do. Locally, the Trust has worked hard to ensure life sciences are integral to the strategy and priorities of the Birmingham and Solihull Local Enterprise Partnership. We are a national centre of the 100,000 Genomes Project, which aims to improve the prediction and prevention of disease, enable more new and precise diagnostic tests and allow personalisation of drugs and other treatments to specific genetic variants.

UHB is host to the Wellcome Trust's most successful NIHR clinical research facility, the largest solid organ transplantation programme in Europe, a national Biomedical Research Unit in liver disease, the largest specialist cancer trials unit, a national centre for trauma research, the highly successful centre for Clinical Haematology and the Royal Centre for Defence Medicine.

Excellent academics and clinicians together with a very large and diverse catchment area give Birmingham and the broader West Midlands a comparative advantage in translational research, in particular clinical trialling.

Key outcomes of all of this have been the award by Government, under its City Deal initiative, of £12m, matched by local partners, for the establishment of the Institute of Translational Medicine (ITM) in the Heritage

Building; and the designation by the City Council of the area centred on the Queen Elizabeth Hospital Birmingham and the University of Birmingham as a Life Sciences Campus – one of six high-growth Economic Zones across the city. The ITM opened in the summer of 2015, on time and on budget, and the new Life Sciences Business Park opens in 2017. UHB is also partner in two highly innovative projects funded through the European Regional Development Fund which aim to generate NHS "challenges" and engage with small and medium-sized enterprises in the region to provide solutions.

The potential prosperity benefit of this activity and investment to Birmingham and the West Midlands is huge. The ITM is operating in a "virtual" capacity and already creating real benefit in care, financial and jobs terms.

The land vacated by the former Selly Oak Hospital has been sold and is currently being developed to offer significant regeneration as a key strategic housing site.

3.11 Environmental Issues

UHB sees carbon reduction in practical terms as energy efficiency; waste minimisation; reducing the harmful effects of transport; and changes to procurement practice.

The Trust recognises that the NHS is a major contributor to CO₂ emissions. UHB sees carbon reduction as an integral part of delivering the best in care. It also can save money; provide improved energy security and reduce reputational risk.

UHB has a Sustainability Strategy and a detailed Action Plan covering governance; energy; procurement practice; Travel Plan; waste minimisation, segregation and recycling; together with an overarching communications strategy.

Key areas of development during the past year are detailed below.

3.12 Energy

The new hospital continues to meet the Department of Health energy efficiency target of 35-55GJ/100m³, at 53.6 GJ/100m³ a slight improvement on the declared 2014 figure of 54.9 GJ/100m³ and a design target of 54.621 GJ/100m³.

The latest available comparison data is for the 3rd quarter of 2015/16 which shows a 31% saving in energy in that quarter compared to the equivalent quarter in 2007/08 (the baseline for NHS sustainability measurement). Taking the year as a whole the cumulative saving so far is 19.8%.

Data is being regularly analysed to identify progress against the target reduction. The creation of virtual meters to match divisional and departmental structures

is complete and work is planned to develop a reporting system. This is the key to Trust-wide performance reporting and the subsequent development of an effective energy awareness programme.

A number of potential energy/carbon saving schemes have been identified including LED lighting, heating/cooling control improvements, pipework insulation which are being evaluated and will be implemented subject to funding being identified. The installation of solar panels on various roofs of the Heritage Building (QEH) has been completed.

3.13 The Trust's Carbon Footprint

Treasury and NHS carbon reduction guidance relates to direct and indirect energy (Scopes 1 and 2) and official business travel (Scope 3). For UHB the emissions for Scope 1 and 2 (energy consumed) is 29,500 tonnes of CO2 equivalent. The Trust has achieved the NHS target reduction of 10% reduction in CO2 emissions between 2007 and 2015 for Scopes 1, 2 having achieved a saving of 27% primarily through site rationalisation and conversion of the boiler house to gas from coal.

NHS national data and UHB's own estimates show the largest share of the total healthcare carbon footprint is procurement, especially pharmaceuticals, medical instruments and financial services. Procurement is currently outside of Scope 3 definitions because of measurement difficulties. However, preliminary independent estimates show a total carbon footprint for the Trust of some 230,000 tonnes of which 70% relates to procurement, 25% energy and 5% travel.

Note that all of the above data relate to the QEMC and Selly Oak Hospital (where relevant) and exclude all off site premises.

3.14 Physical Environment

The design of the new hospital was dictated by the large area of natural wildlife habitat surrounding the site. Careful management of this area protected it during the construction phase of the new hospital and has provided sustainability for wildlife. Additionally, the site is the home of a Roman fort and the Trust has put considerable effort into its interpretation.

The configuration of the new building has been developed to maximise light penetration. Extensive use of courtyards together with the clinical plan arrangement, particularly within a deep plan podium, provides a natural light source. It is recognised that both natural ventilation and natural light are important to staff and patient wellbeing.

Most recently, the Trust has identified in excess of 16,000m² of land that will either be re-designated for food production or habitat enhancement. From wildflowers to growing fruit and bee keeping to

woodland walks, the Community Orchard and Gardens project covers a huge variety of areas on the hospital campus that will have a variety of aims but the main focus is on improving the areas for use by the local community, hospital patients, visitors and staff. A formal orchard of fruit trees and more mature trees has been planted. Activities across the project will reach each corner of the hospital site and in total will include improvement and activity on almost four acres of land.

Two other notable projects which continue to have a social and environmental benefit are:

Fruit and Vegetable stall

As part of its sustainability and health and wellbeing strategies the Trust wanted to make available to staff, patients, visitors and the wider community, fresh competitively priced fruit and vegetables to give everyone healthier options both at work and at home. The Trust generates a small income from the stall which is re-invested into Trust-wide health and wellbeing programmes.

Farmers' Market

The Farmers' Market was started in November 2012 and trades twice a month. It has grown from eight stalls to the current 22. Key to the establishment of the market was the desire to provide staff, visitors, patients and local people with access to local produce as well as supporting local businesses. Many of the businesses are regulars at the region's Farmers Markets but others are new to selling their produce. Two stalls are run by social enterprises, Frost and Snow assisting homeless people and Park Lane Nurseries supporting people with mental health needs. The social enterprise aspect is important to UHB to continue our support for the local communities which we serve in alternative ways, not just healthcare provision.

3.15 Procurement

The Trust's Procurement strategy is currently being reviewed this financial year and there will be a focus on Sustainability regarding SMEs and other Encouraged Enterprises. One of the key elements of the Strategy is 'Working with our Suppliers' and Sustainability sits comfortably under this heading. We are working with suppliers to delivery excellence for the Trust through continued sustainable practise within the Procurement team.

We are developing Procurement Excellence workshops and Sustainability will be incorporated in to the training programme.

The Procurement Department, represented the Trust at the Innovation Engine Project SME workshop, delivered to West Midland-based SMEs in October 2014 focusing on the relationships they can build with contracting

authorities including UHB procurement for Trust bespoke contracts and other Procurement partners including NHS Supply Chain and Crown Commercial Services, all of which champion the encouragement of SMEs in their Sustainability policies.

Sustainability policies from contractors continue to be requested in all tendering exercises and are being collated within the ProContract tendering database. The Sustainability team recognise the abundance of data collected and are hoping to develop ways of usefully incorporating this information to support Trust contracting decisions.

The NHS Standards of Procurement remain pivotal in our planning and working with SMEs is an indicator within the Partnership element. Procurement will continue to work through the levels with a vision to be a Procurement Centre for Excellence.

3.16 Mixed recycling

The Trust has in place a comprehensive and successful waste recycling programme that for the previous financial year yielded 974.00 tonnes of reusable material this is an increase of 255.89 tonnes against the previous year at 718.66 tonnes showing a 26% increase.

The recycling scheme incorporates the use of 850 recycling bins strategically placed across Trust premises within patient, staff and public areas to maximise the volume of recyclable material, in addition we have in place processes to capture other key recyclable waste streams such as scrap metal, office/confidential paper, clothing, electrical and white goods, batteries and cardboard. The Trust is introducing a new ink cartridge recycling scheme in 2016 in addition to a wood recycling programme.

3.17 Transport

The Trust employs some 9,000 staff and last year treated over one million patients, with an estimated two million visitors. Consequently, the QEHB site is a major generator of traffic from across the city and beyond. Encouraging sustainable transport modes, specifically through a comprehensive Green Travel Plan, is a key part of the Trust's Sustainability Strategy and Action Plan.

All the targets set out in the Travel Plan produced in 2005 were achieved by 2010. In particular, a key target was a 10% modal shift from single occupancy car journeys to other methods, such as active travel and public transport. This target is clearly being met. Between 2003 and 2013 there has been a 20% reduction in the number of single occupancy car journeys, which has been complemented by a 7% increase in staff commuting by public transport and a 3% increase in staff cycling to work.

Over the past year the Trust has consolidated its Green Travel Plan, aimed at encouraging a further switch

away from car travel by re-invigorating staff to travel sustainability and informing new staff of the travel package offers available to them. The strategy commits the Trust to developing incentives for staff to minimise car use and increase the use of sustainable transport modes and to continue to work with stakeholders to promote sustainable travel. One key aspect of this plan, the introduction of eligibility criteria for staff car parking, was recently implemented across the Trust and has led to a significant reduction in the number of staff cars permitted to access the Trust premises.

The Trust has also, in conjunction with the City Council, the University of Birmingham, Birmingham Women's NHS Foundation Trust and Birmingham and Solihull Mental Health NHS Foundation Trust launched a Green Travel District (GTD) as part of Birmingham's medium-term transportation strategy 'Birmingham Connected'. This aims to promote and enable a vision where people are put before cars, where residents, workers and visitors can safely walk, cycle or take public transport, leading to less congestion, less pollution and healthier, safer, more productive communities.

Section 1 | Annual Report

Accountability Report

1 Directors' Report

1.1 Overview

It is the responsibility of the Directors of the Trust to prepare the Annual Report and Accounts. The Board of Directors considers that that Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the Trust's performance, business model and strategy.

1.2 Audit Information

So far as each of the Directors is aware, there is no relevant audit information of which the auditors are unaware. Each of the Directors has taken all of the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

1.3 Pensions

The accounting policy for pensions and other retirement benefits are set out in note 1.3 to the financial statements and details of senior employees' remuneration can be found in the Remuneration Report in Section 2, page 66.

1.4 Disclosures in accordance with Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008

Disclosures regarding likely future developments, employment of disabled persons, and informing and engaging with staff are included within the Accountability Report.

1.5 Cost allocation

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

1.6 Better Payment Practice Code

	Number	£000
Total bills paid in the year	137,423	432,851
Total bills paid within target	135,008	429,061
Percentage of bills paid within target	98.24%	99.12%

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

1.7 The Late Payment of Commercial Debts (Interest) Act 1998

Nil interest was charged to the Trust in the year for late payment of commercial debts.

1.8 Management costs

Management costs, calculated in accordance with the Department of Health's definitions, are 4%.

1.9 Names of persons who were Directors of the Trust

The Board is currently comprised as follows:

- Chair: Rt Hon Jacqui Smith
- Chief Executive: Dame Julie Moore
- Chief Financial Officer: Mike Sexton
- Executive Medical Director: Dr David Rosser
- Executive Director of Delivery: Tim Jones
- Executive Chief Nurse: Philip Norman
- Executive Director of Strategic Operations: Kevin Bolger
- Executive Chief Operating Officer: Cherry West

- Non-Executive Directors:

- David Hamlett
- Angela Maxwell
- David Waller
- Professor Michael Sheppard
- Jane Garvey
- Harry Reilly
- Catriona McMahon
- Jason Wouhra

1.10 Patient Care

1.10.1 How the Trust is using its foundation trust status to develop its services and improve patient care

The Trust continues to improve patient care through the work of the Care Quality Group chaired by the Executive Chief Nurse and including Trust Governors within its membership. A number of patient-focused initiatives were developed during the year in response to feedback from patients and carers. The Trust has continued to monitor feedback via a variety of different methods including patient advice and liaison contacts (PALS), complaints, compliments, friends and family test, local and national surveys.

Ward-based feedback is well established at the point of care via an electronic bedside survey. These surveys have assisted the Trust in benchmarking the success of its patient improvement measures against the results of the National Patient Survey. A ward-level dashboard is also in place allowing staff to see their own patient experience results for local surveys and the friends and family test and then act on any issues.

Staff who have completed the Trust's Patient Experience Champions programme training have developed innovative ways of collecting, displaying and acting on patient experience feedback in their areas. This has resulted in a number of improvements which have been shared and duplicated across other areas.

The patient experience team have supported staff in clinical areas and departments to ensure they are taking every opportunity to collect feedback from patients and carers, using it to inform changes to practice or service improvements. Focus has also been provided by the team to staff, to share and publicise actions taken as a result of feedback to staff, patients and the public.

The Trust has set up a local patient experience network, to bring together trusts from across the region to share good practice and work together on challenging topics.

Trust Governors are encouraged to contribute to gaining patient feedback by participating in inpatient and outpatient Governor 'drop ins' and by becoming members of the Patient and Carer Councils.

1.10.2 Infection prevention and control

The Trust continues to have a robust Infection Prevention and Control programme in place and whilst significant improvements have been made, challenges have been seen over the last year, especially in relation to *Methicillin Resistant Staphylococcus Aureus* (MRSA) where the Trust is over the agreed trajectory for MRSA. In relation to *Clostridium Difficile* Infections (CDI) and other infections, improvements continue to be seen. For CDI, the Trust is likely to end the financial year just above the agreed trajectory; however, microbiology colleagues have been tracking the national CDI trend and for the first time in recent years, this is increasing and at a rate higher than the Trust is currently experiencing.

Performance against, and monitoring of, improvements related to healthcare associated infections are monitored monthly at the Infection Prevention and Control Group chaired by the Executive Chief Nurse and the wider care quality issues identified are monitored as part of the Care Quality Group chaired by the Executive Chief Nurse.

1.10.3 Service improvements following staff, patient or carer surveys/comments and Care Quality Commission reports

The Trust has identified a number of areas from local and national surveys where further improvement is required and these have been selected as our patient experience quality priorities. More information about these can be found in the Quality Account section of this report.

Having embraced the "hello my name is" initiative, a question relating to this was added to all relevant patient experience surveys and shows the culture of staff introducing themselves has been well embedded across the Trust. Qualitative feedback examples demonstrate the positive impact this is having on the patient experience as this is often specifically mentioned.

Discharge management has remained a high priority for the Trust with a number of changes implemented to make the process more efficient and to further improve the patient experience. The introduction of the Discharge Pharmacy has had a significant impact on reducing waiting times for discharge medication. Allowing patients to collect medication on their way out of hospital empowers patients and enables them to increase their involvement in the discharge process. It also helps to reduce unnecessary delays on the wards, whilst also facilitating appropriate education and instruction at the point of medication being dispensed.

The Discharge Lounge (which was re-launched following its successful relocation into the Heritage building) provides a quiet, comfortable environment for patients to await discharge, freeing up ward beds and supporting effective capacity management. A clinical pharmacy technician based in the Discharge Lounge supports patient counselling on medicines and provides additional

patient educational support. An additional bonus is a pick-up point right outside the entrance to the lounge.

With some patient feedback citing delays in obtaining a clinic appointment, and also delays on the day of appointment in outpatient clinics, a number of work streams have been set up to look at the whole outpatient experience. Signage has also been revisited with a designated group set up to review signage and patient flow throughout the department as a direct response to feedback received.

The 'Communicating well at UHB' toolkit has been very well received, enabling staff to access information and training around this important issue. The impact of the toolkit continues to be evaluated via the patient experience feedback mechanisms in place. The Communication Skills Group that developed the toolkit is also monitoring patient experience feedback to ensure that the focus of future training is linked to areas of concern, or where additional knowledge and skills would be beneficial. Sage and Thyme workshops continue to support this work, equipping staff with the skills required to recognise distress and engage in conversations that are supportive and enhancing.

1.11 Public and Patient Involvement

1.11.1 Patient and Carer Councils

The Trust has three Patient and Carer Councils: one for wards (inpatients), one for outpatients and a Young Persons' Council.

The purpose of the councils is for patients, foundation trust members and the public to work in partnership with staff to further improve the services provided to patients. All council members are also foundation trust members. All of the councils have been active in seeking patients' views to influence the improvements in care. There are currently 53 patient and public representatives on the councils.

The wards and outpatients councils have continued to use the 'Adopt-a-Ward or Department' scheme to facilitate partnership working with staff to provide a patient perspective to improving the experience of patients and their relatives. During 2015/16 there has been a review of the templates for the Adopt-a-Ward/Department scheme.

For these purposes all Patient and Carer Council members undergo the volunteer recruitment process and induction enabling them to safely undertake visits.

Councils have continued to be actively involved with ongoing work on nutrition and hydration of inpatients, privacy and dignity, and patient experience data collection.

Elections for Chair and Deputy Chair positions were

undertaken for the Outpatient Council during the year.

1.11.2 Young Persons' Council

The Young Persons' Council looks at ways to further improve the experience for young people aged 16-24 years in our hospitals, and are involved in visits to wards and departments to ask patients and staff for their views.

Projects that the Young Persons' Council have been involved in during 2015/16 include:

- Extension of the 'buddying scheme' to provide companionship for young people who are inpatients
- An open evening for students from local universities to promote the work of the Young Persons' Council
- Team building exercise which reinforced the shared values of the Young Persons' Council
- Surveying patients between 16-24 years of age to find out their views on their patient experience within the hospital
- Young Persons' Council members continue to have an opportunity to contribute to research through patient and public involvement.

1.11.3 Mystery Patient Council

Following a consultation exercise with all Patient and Carer Council members, the Mystery Patient Council was disbanded. The mystery patient element within the hospital setting will continue and be incorporated into the work of the Patient and Carer Council for wards and outpatients.

1.11.4 Readership Panel

This group provides a forum for involving patients and the public in reviewing and influencing the way in which information is provided.

This ensures that information within the Trust is produced in a way that is useful to patients, carers and the public, has a consistent style, doesn't contain NHS jargon and is provided in the most appropriate format. This year the group has specifically been involved with:

- Information sheet: Patients having nail surgery procedures
- Information sheet: Advice following surgery for nail removal
- Information sheet: Short term loan wheelchair information (Therapy Services Department)
- Information sheet: To reduce the risk of falls after a block anaesthetic

- Leaflet: Microvascular Decompression (Microvascular decompression is a surgical procedure that relieves abnormal compression of a cranial nerve)
- Leaflet: Helping us to understand what it's like to be a patient in our hospital
- Information sheet: The Discharge Lounge
- Assessment Form: Subcutaneous Immunoglobulin home therapy training programme
- Symptom Diary: Immunology clinical appointment
- Information sheet: Wound care advice following your procedure
- Information sheet: Advice for patients following general anaesthetic
- Information sheet: Post-operative advice following an ear operation
- Information sheet: Transoesophageal Echocardiogram (TOE) with sedation (TOE is an ultrasound scan of the heart)
- Information sheet: Looking after your bone anchored hearing aid
- Information sheet: Nasal Surgery discharge advice
- Information sheet: Cardiac device implantation wound care advice

1.11.5 Equality Delivery System

Members of the Patient and Carer Councils and public representatives met to discuss the Trust's approach to equality at a meeting chaired by the Deputy Director of Partnerships. Members were asked for their feedback in regards to the 'RAG' (red/amber/green) rating in the EDS2 (equality delivery system) document and whether the Trust was excelling, achieving, developing, or were undeveloped in the outcomes below:

- Better health outcomes for all
- Improved patient access and experience
- Empowered, engaged and well-supported staff
- Inclusive leadership at all levels

1.11.6 Healthwatch Birmingham

The Trust maintains links with Healthwatch Birmingham and members have been invited to take part in events such as patient-led assessments of the care environment (PLACE) during the year.

1.11.7 Patient and Carer Consultations

During the year Patient and Carer Council members were consulted on:

- Diarising the patient's day
- Trust Annual Plan
- Trust Quality Priorities
- Volunteer Strategy
- Your Care Connected
- Trust Fair Processing Notice

Patient and Carer Council members were also asked to consult on the non-emergency patient transport consultation established by Birmingham Cross City Clinical Commissioning Group.

1.11.8 Volunteers from the local community

The Trust currently has around 500 highly-valued active volunteers who continue to provide an enhanced and quality experience for our patients and terrific support to our staff. Recruitment was on hold for approximately nine months during 2015 and recommenced in January 2016. We continue to encourage volunteers that are representative of the local community that the Trust provides a service to. A particular effort has been made to recruit volunteers from the under-25 age group to support the younger patients within the hospital.

The demographic profile of our volunteers as at 31 March 2016 is:

	2015/16	2014/15
GENDER		
Male	37%	35%
Female	63%	65%
AGE		
16 years old	0.2%	
18-30 years old	12.9%	20%
31-50 years old	14.5%	17%
51-65 years old	42%	37%
66-74 years old	23.7%	21%
75+ years old	7.5%	6%
ETHNICITY		
White British	74%	69%
Other white	2.5%	
Black/mixed	9.5%	8%
Asian/mixed	14.5%	18%
Other/undisclosed	2.9%	4%

	2015/16	2014/15
EMPLOYMENT		
Employed	20.4%	21%
Unemployed	9.8%	10%
Students	10.4%	16%
Retired	54%	46%
Other/undisclosed	7.5%	7%

A Volunteer Committee, established in 2011 and chaired by a Trust Governor, continues to formally involve volunteers in the development of voluntary services within the Trust and participate in developing the Trust's volunteering strategy. The Committee continues to meet regularly to discuss volunteer recruitment, new volunteer roles, Volunteers' Week and to support volunteers in the hospital.

It has continued to be a busy year for reviewing and developing volunteering at the Trust and there are a number of new and ongoing projects in progress. The task and finish group set up to look at the feasibility of introducing an internal mobility scooter service to complement the service currently offered by the external car park buggy is nearing its conclusion. Funding for the scooter is currently being sought following a successful on-site trial of the scooter in December 2015 and further patient feedback. We continue to receive feedback from patients regarding the distance patients and visitors have to walk once they are inside the hospital building. Meetings have also taken place with the Sexual Health Team regarding the transfer of volunteers to support UHB in the delivery of Umbrella (the new sexual health service for Birmingham and Solihull since August 2015) and to process-map the recruitment for these services going forward. Following pilots of the Young Person's Buddy Scheme and Dining Companions, both of these projects will be re-launched in 2016.

Voluntary Services has undertaken a review of processes to continually improve how we recruit, develop and manage our volunteers. This year has also seen the introduction of a formalised process relating to volunteers who have become too frail, ill or lack capacity to continue to continue as a volunteer. Whilst an individual may not continue with active volunteer duties, they may still be invited to social events and can contribute in a non-physical way, for example readership panels.

Voluntary Services at UHB continue to participate at a national level including requests to provide speakers at various events, being cited as a case study for the National Council for Voluntary Organisations young person volunteer's toolkit for our young person's buddy scheme, and recommendations from the Department of Health as a Trust to contact for good practice. The National Conference held in Birmingham in September 2015 was organised by our Voluntary Services Manager. In February 2016 we also became part of the Shelford Group network for Voluntary Services.

As a thank you to our volunteers we run regular afternoon tea events, where volunteers can come together socially and listen to an interesting speaker. An annual long-service awards event also helps us to show our volunteers how much we value them.

In March 2016 a volunteer strategy event was held; attended by around 40 volunteers, views were sought around ways to further improve volunteering at the Trust, including supporting volunteers and any barriers experienced.

1.12 Complaints and Compliments

We welcome patients and families contacting us where they have any concerns about our services to help us to learn and continuously improve our services. The number of complaints received in 2015/16 was 680, which represents a 14% decrease on the total number of complaints received in the previous year.

The complaints team liaise closely with key divisional colleagues to ensure that complaints are investigated and responded to in a timely manner to the satisfaction of the complainant. Senior divisional management 'triaging' of complaints is used effectively to secure an early resolution of complaints wherever appropriate, for example issues around appointments can often be resolved quickly via a telephone call. Where a complaint requires a full investigation, the complaints team make early contact with the complainant, wherever possible, to agree the issues to be investigated, the preferred method of response and a realistic timescale for responding. Over the last year we have improved in terms of keeping in regular contact to ensure the complainant is kept updated with progress, especially when we are unable to meet the initially agreed deadline.

Significant improvements have been made over the past 12 months both to reduce the number of open complaints and to ensure that responses are provided at the earliest possible opportunity. A complaints flowchart, detailing the timescale for the various stages of the process is now embedded into our procedures and is sent to divisional staff with every new complaint. The target timeframe for responding to complaints has been reduced during the year from 40 working days to 30 working days from receipt. Whilst this has been a challenging target to achieve, most recent figures saw us achieving this in 82% of our cases closed in February 2016.

A complaints improvement plan has been developed to help enhance complaints handling further, especially the quality and timeliness of responses. Initiatives include the provision of mediation training for patient advice and liaison service (PALS) and complaints colleagues to further improve the handling and facilitation of meetings and telephone calls with patients and their families; development of improved guidance and training for staff involved in responding to complaints in writing and

exploring the possibility of a panel to review a selection of complaints responses for quality.

Weekly reports are provided to the Executive Chief Nurse and senior divisional management teams detailing numerical summaries of the status of current complaints, as well as details of every open complaint and a summary of older open complaints, so that appropriate senior support can be provided to progress these cases. Alongside these reports, a summary of patient advice and liaison service (PALS) activity for the previous week is also provided, together with the number of cases outstanding and details of cases which are taking longer to resolve than we would like, so that again divisional management teams can provide support in expediting these cases.

To further improve our complaints service, a repeat survey of complainants was carried out in quarter four 2015/16 to gain further insight into the experience of patients and families using our complaints process and to actively seek their views on what we could do better. The survey results will be reported to the Executive Chief Nurse's Care Quality Group and will help us shape further refinements of our processes.

The Trust takes a number of steps to ensure that we learn from complaints. Agreed actions from individual complaints are shared with the complainant in the Trust's written response to the complainant or at the local resolution meeting. Following its introduction last year, we have continued to record and track actions from complaints via Datix (our complaints database). These actions are reported to divisional management teams at their regular clinical quality group meetings. Additionally, a quarterly record of complaints actions/learning was trialled in quarter four 2015/16 to share learning across divisions.

Themes and trends from both complaints and patient advice and liaison service (PALS) concerns continue to be shared via reporting at both divisional and Trust-wide levels. Reports are provided to the Chief Executive's Advisory Group, the Executive Chief Nurse's Care Quality Group, Clinical Commissioning Group, Divisional Clinical Quality Groups to name but a few. The Head of Patient Relations also meets regularly with key senior staff around the Trust, including Matrons and Associate Directors or Nursing, to identify specific areas of concern, themes and trends, as well as highlighting positive feedback and good practice.

A particularly complex case received in 2015/16 was used in a number of ways to help improve the experience of future patients and their families. The case was reviewed at an Executive RCA (Root Cause Analysis) meeting; was used anonymously by the Head of Patient Relations in training sessions with new consultants and was presented to a group of Trust consultant geriatricians, to see how specialities could work more closely together to improve how we communicate complex information to patients and their families.

Whilst the Trust makes every effort to resolve complaints to the satisfaction of the complainant, this may not always be possible for a variety of reasons. Complainants are made aware of the option of approaching the Parliamentary and Health Service Ombudsman to assess their complaint independently. Whilst nationally the Ombudsman investigates significantly more complaints than it did prior to the publication of the Francis report, complaints about this Trust reviewed by the Ombudsman remain relatively low. In 2015/16, the Ombudsman upheld or partly upheld 13 complaints.

Our Head of Patient Relations meets regularly with his counterparts from the Shelford Group of leading acute trusts, as well as those from the West Midlands health economy, sharing good practice and ideas, as well as discussing mutual challenges and how they can be overcome.

The complaints team work very closely with their colleagues in patient advice and liaison service (PALS), both teams collectively forming the Patient Relations Department. A number of initiatives have helped improve the closer working of the two services. A Patient Relations 'Hub' has been developed, whereby enquirers only need one number to contact the department, where their issues are assessed to determine whether patient advice and liaison service (PALS) or complaints are best placed to progress their issues. A group of three Patient Relations Administrators have been recruited to look after the 'Hub' and provide administrative support to both teams.

Patient advice and liaison service (PALS) processes have constantly been refined over the last 12 months to further improve the service offered to enquirers. Examples include better use of the Datix database so that more comprehensive information is recorded. This has enabled improved escalation of cases to accelerate resolution and an enhanced suite of reports to Corporate and Divisional managers has also helped identify themes and trends. A survey of patient advice and liaison service (PALS) enquirers was developed in quarter four of 2015/16 to help understand the perception of patient advice and liaison service (PALS) enquirers, as well as identify any further improvements to the service. The Patient Relations Assistant Manager (PALS) was also instrumental in forming a network of local patient advice and liaison service (PALS) leaders, mirroring the local complaints manager network outlined earlier.

In addition to the customer care sessions held specifically in response to trends highlighted from patient complaints/concerns, a number of Trust staff received some form of customer care training during the past year.

Positive feedback is also important in highlighting success and providing opportunities to replicate successful initiatives wherever possible. The Trust consistently receives considerably more compliments than it does

complaints. In 2015/16 the Trust formally recorded receipt of 2350 compliments, compared to the 680 complaints received.

The Trust's Customer Care Awards scheme also allows grateful patients, relatives and colleagues to nominate members of staff who have gone the 'extra mile' and made a positive difference to their experience.

1.13 Research and Development

The Institute of Translational Medicine (ITM) opened its schedule in July 2015. Once fully operational (floors 4 and 5 are not yet operational) the ITM is expected to deliver:

- a. A single point of entry for commercial, pharmaceutical and technology sectors into the Trust and the University (Birmingham Health Partners) for new ventures, from inception to a proof-of-concept testing pathway
- b. Consolidation of research support services including assistance with research grant applications and provision of guidance in technology commercialisation
- c. Increases in translational research with a view to direct improvements in patient outcomes; saving lives and improving quality of life. This would be quantifiable through increased patient activity, clinical trial activity and the associated income
- d. Increased income for commercial, private sector and research activity, along with new opportunities for clinical trials
- e. An enhanced profile for the Trust and University as a centre of excellence in life science and translational research

Current ITM residents key to this delivery include the Commercial Hub and Research and Development team. Device specialists include NIHR Health Care Technology. Research specialty groups resident in the ITM include audiology, skin and peripheral nerve, respiratory, cardiology, intensive care, liver, renal and cancer. Clinical academic research groups are forming faculties linked to the key ITM themes and hold many of their faculty and research meetings in the ITM. Delivery of the BHP Education programmes embedded within the ITM and linked to multi-disciplinary research include the Clinical Academic Internship Programme, PhD bridging programme, ITM Research Fellowship and more recently the award for the NHSE West Midlands Genomic Medicine Centre Education and Training programme.

The Centre for Rare Diseases, within the ITM, opened in September 2015. This centre is representative of UHB's intent to contribute to the delivery of the DH's strategy for rare disease, and brings together multi-disciplinary and multi-specialty clinics to provide co-ordinated clinical

care and increase access to research for patients with rare diseases. A total of 36 rare disease clinics have been transferred from the main out-patients department at QEHB to the purpose-built Centre for Rare Diseases. Between September 2015 and January 2016, 1148 patients attended the Centre for Rare Diseases, covering 11 different clinical specialties.

On the ground floor the café and conference meeting rooms host various ITM events including business engagement, collaborative, research set up, seminar series and training days. Initial engagement meetings and ITM tours have been established and are proving very popular.

The Trust continues to engage with external bodies to leverage additional benefit associated with the ITM through collaborations and new funding for research and innovation infrastructure growth.

In December 2014 the West Midlands was announced as one of 13 centres in England that will deliver the 100,000 Genomes Project. Since then the West Midlands Genomics Medicine Centre (WM GMC) has led and facilitated the attainment of 'go live' status to six of the 18 Local Delivery Partners (LDPs), with more LDPs aiming to go live within the first two quarters of the 2016/17 financial year.

Drawing on its unique population demographic, the WM GMC has delivered the largest volume of cancer samples across England to date and over 800 rare disease samples since commencing recruitment in May 2015. Three Genomic Ambassadors have been appointed to supplement the core WM GMC team and are providing support to regional local delivery partners.

The Healing Foundation Centre for Burns Research, based at the Queen Elizabeth Hospital Birmingham, has established a fully integrated research infrastructure as evidenced by the success of the Scientific Investigation of the Biological Pathways Following Thermal Injury in Adults and Children (SIFTI) study which has finished recruitment and will complete in December 2016.

As well as improving our understanding of how the body responds to burn injury in adults and children, the £6 million Research Centre also carries out translational clinical research to develop new treatments.

The Centre is supported by Vocational Training Charitable Trust (VTCT) and funded for five years with £1.5m investment from the Healing Foundation and funds from partner organisations of £4.5m.

In June 2014 the Trust took part in two-day nationwide study to assess the impact of increasing levels of specialist care for emergency weekend admissions.

UHB was one of 126 NHS trusts in England taking part in the High-intensity Specialist Led Acute Care (HiSLAC)

project, which involved consultants and specialists completing a short, anonymised survey to contribute to a nationwide “snapshot” of care provided for emergency hospital admissions.

1.13.1 Funding

The Trust, in collaboration with the University of Birmingham, has been awarded a £30.6m boost for a five-year research project into patient care.

The funds comprise a £10 million investment from the National Institute for Health Research (NIHR) which will be complemented by £20.6m match-funding from local health and social services to continue evaluating and developing healthcare until December 2018.

The funding is managed by the Collaboration for Leadership in Applied Health Research and Care for West Midlands (CLAHRC-WM), an innovative partnership hosted by UHB. CLAHRC-WM has organised themes of research around:

- Child and Maternity Health
- Youth Mental Health
- Prevention and Detection of Disease
- Chronic Diseases
- Implementation and Organisational Studies
- Research Methods

During the past year colleagues from the NIHR SRMRC have been awarded in excess of £2,260,000 from the NIHR EME fund: £1,860,002 for a multi-centre randomised controlled trial of pre-hospital blood product administration versus standard care for traumatic haemorrhage (RePHILL) and £402,836 for the CRASH-3 mechanistic study. An award of £1,583,777 was also secured from NIHR/Wellcome Trust (HIC) for clinical trials into the development of a synthetic bioactivated membrane dressing with the aim of reducing scarring in patients.

Awarded grant highlights include:

- Successful NIHR HTA application led by Prof Nick James in collaboration with the University of Warwick entitled “Image redesign of bladder cancer treatment pathways”. Total awarded in the region of £1.5m
- Successful NIHR EME application led by Prof Tony Belli in collaboration with UoB entitled “Mechanism of action of Tranexamic Acid in isolated traumatic brain injury”. Total awarded in the region of £360,000
- Successful NIHR HS&DR application led by Prof Julian Bion in collaboration with UoB entitled “Patient

Experience and Reflective Learning”. Total awarded in the region of £750,000

- Successful MRC DPFS application led by Prof Ann Logan in collaboration with UoB entitled “Development of a synthetic flowable dressing that prevents corneal scarring”. Total awarded in the region of £2.3m
- Two successful EU H2020 applications led by Hamid Dehghani and Anna Philips in collaboration with UoB. Combined total awarded in the region of €6.5m.
- Two successful Wellcome Trust Health Innovation Challenge applications led by Prof Darius Mirza (in collaboration with UoB) and Alastair Denniston. Combined awarded total in the region of £1.2m

1.13.2 Public Engagement

The Trust’s successful annual Research Showcase in May 2015 allowed members of the public, patients and staff to see how their involvement in research can make a real difference to the healthcare of future generations.

There were more than 25 presentation stands on the day. Patients and healthy members of the public were able to find out how they can get involved in research which offers cutting-edge treatments or expands our understanding of how the human body works.

The NIHR Surgical Reconstruction and Microbiology Research Centre (SRMRC) Public and Patient Involvement (PPI) Group continues to meet on a quarterly basis when they are kept up to date about research and offer valuable suggestions and feedback. Group members supported the successful Research Showcase in 2015, including meeting with the Lord Mayor of Birmingham during the event to talk about their experiences. Members have also been interviewed by Sinead Rushe, a London-based theatre producer, about their experiences to help inform performers for her upcoming production, *Loaded*. The performance focuses on how the body deals with physical and emotional stresses and loads and will be staged in Birmingham later in 2016.

A number of SRMRC research projects have attracted high-profile media coverage locally and nationally including a project to develop an anti-scarring synthetic bioactivated membrane dressing and work on how acetic acid has potential as a cost-effective alternative to antibiotics to combat bacteria and biofilms in wounds. Researchers investigating the effects of repetitive concussion in sport have regularly been interviewed about the subject, and also featured in the BBC Panorama programme ahead of the Rugby Union World Cup in September 2015.

The Healing Foundation Centre for Burns Research, based at the QEHB, has commissioned the production of a patient information video at the suggestion of,

and following discussions with, their Public and Patient Involvement group. Funding for the project has been secured from QEHB Charity and the aim is to produce a video to provide information and advice to patients coming on to the Burns Unit at QEHB, and their carers.

1.13.3 Clinical Trials

The Trust's extensive and innovative Research and Development portfolio enables it to have access to new medicines earlier as part of clinical trials which can provide hope for patients for whom conventional treatments might have failed. During 2014/15, UHB has been able to deliver benefits to patients on clinical trials including reduced symptoms, improved survival times and improved quality of life, for example. The total number of patients recruited into all studies open during 2015/16 was 5,051 (based on returns from annual reports). The number of new studies registered with the R&D Governance Office during 2015/16 was 356. Of these, processing was abandoned for 70 studies.

The table below shows the number of clinical research projects registered with the Trust's Research and Development (R&D) Team during 2013/14, 2014/15 and 2015/16. The number of studies which were abandoned is also shown for completeness. The main reason for studies being abandoned is that not enough patients were recruited due to the study criteria or patients choosing not to get involved.

Reporting period	2013/14	2014/15	2015/16
Total number of projects registered with R&D	306	307	356
Out of the total number of projects registered, the number of studies which were abandoned	39	56	70
Trust total patient recruitment	10,778	11,400	5,051

1.14 Enhanced quality governance reporting

The Board of Directors takes direct responsibility for service quality and has approved a Clinical Quality Strategy setting out the overarching principles underpinning the Trust's approach to Clinical Quality. The Board receives regular reports regarding clinical quality and care quality. The Board of Directors has established a Clinical Quality Committee to support, and provide continuity for, the Board of Directors in relation to the Board's responsibility for ensuring that the care provided by the Trust meets or exceeds the requirements of this strategy. Operationally, groups including the Clinical Quality Monitoring Group, the Care Quality Group and the Patient Safety Group provide a framework for quality governance.

Comprehensive use of electronic decision-support and monitoring tools enables the Trust to monitor compliance with essential clinical protocols and to identify potential risk areas at an early stage. Additional investigations and audits can be undertaken following such triggers. The effectiveness of this monitoring system is backed up by regular unannounced governance inspections by board members.

Work is ongoing to check the Trust's compliance with Monitor's quality governance framework and to ensure appropriate engagement with relevant stakeholders.

Additional information regarding quality governance and quality is set out in the Quality Report in Section 3 and the Annual Governance Statement in Section 4.

2 Governance

2.1 NHS Foundation Trust Code of Governance

University Hospitals Birmingham NHS Foundation Trust (the Trust) has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis. The NHS Foundation Trust Code of Governance (the Code), most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code issues in 2012.

The purpose of the Code is to assist NHS foundation trust boards in improving their governance practices by bringing together the best practice of public and private sector corporate governance. The Code is issued as best practice advice, but imposes some disclosure requirements. These are met by the Trust's Annual Report for 2015/16. In its Annual Report, the Trust is required to report on how it applies the Code. Whilst foundation trusts must always adhere to the main and supporting principles of the Code, they are allowed to deviate from the Code provisions provided the reasons for any such departure are explained and the alternative arrangements reflect the main principles of the Code.

The Board of Directors recognises the importance of the principles of good corporate governance and is committed to improving the standards of corporate governance. The Code is implemented through key governance documents and policies, including:

- The Constitution
- Standing Orders
- Standing Financial Instructions
- The Corporate Governance Policy, incorporating the Schedule Of Reserved Matters and Role Of Officers
- The Chief Executive's Scheme Of Delegation

- The Annual Plan
- Committee Structure

2.1.1 Application of Principles of the Code

A. The Board of Directors

The Board of Directors' role is to exercise the powers of the Trust, set the Trust's strategic aims and to be responsible for the operational management of the Trust's facilities, ensuring compliance by the Trust with its constitution, Monitor's Provider Licence, other mandatory guidance issued by Monitor, relevant statutory requirements and contractual obligations.

The Trust has a formal Corporate Governance Policy which reserves certain matters to the Council of Governors or the Board of Directors and sets out the division of responsibilities between the Board of Directors and the Council of Governors. The Corporate Governance Policy is reviewed at least annually.

The Board of Directors has reserved to itself matters concerning Constitution, Regulation and Control; Values and Standards; Strategy, Business Plans and Budgets; Statutory Reporting Requirements; Policy Determination; Major Operational Decisions; Performance Management; Capital Expenditure and Major Contracts; Finance and Activity; Risk Management Oversight; Audit Arrangements; and External Relationships.

The Board of Directors remains accountable for all of its functions; even those delegated to the Chair, individual directors or officers, and therefore it expects to receive information about the exercise of delegated functions to enable it to maintain a monitoring role. As members of a unitary board, non-executive directors are in the same way responsible and accountable as the executive directors.

All powers which are neither reserved to the Board of Directors or the Council of Governors nor directly delegated to an Executive Director, a committee or sub-committee, are exercisable by the Chief Executive or as delegated by her under the Scheme of Delegation or otherwise.

Details of the composition of the Board of Directors and the experience of individual Directors are set out in Board of Directors, page 40 of the Annual Report, together with information about the Committees of the Board, their membership and attendance by individual directors.

B. The Council of Governors

The Council of Governors is responsible for representing the interests of members and partner organisations in the local health economy as well as in the governance of the Trust. It regularly feeds back information about the Trust, its vision and its performance to the constituencies and the stakeholder organisations.

The Council of Governors appoints and determines the remuneration and terms of office of the Chair and Non-Executive Directors and the external auditors. The Council of Governors approves any appointment of a Chief Executive made by the Non-Executive Directors. The Council of Governors has a duty to hold the Non-Executive Directors individually and collectively to account for the performance of the Board of Directors. This includes ensuring the Board of Directors acts within the conditions of its licence. The Council of Governors also receives the annual report and annual accounts, and the outcome of the evaluation of the Chair and Non-Executive Directors.

The Chair is responsible for the leadership of both the Board of Directors and Council of Governors and plays a pivotal role in the performance evaluation of the Non-Executive Directors.

Details of the composition of the Council of Governors are set out on page 36 of the Annual Report, together with information about the activities of the Council of Governors and its committees.

C. Appointments and terms of office

The balance, completeness and appropriateness of the membership of the Board of Directors was reviewed during the year by the Executive Appointments and Remuneration Committee.

Details of the composition of the Executive Appointments and Remuneration Committee and its activities are set out on page 45 of the Annual Report. Details of terms of office of the Directors are set out in Board of Directors, page 39, of the Annual Report and in the Remuneration Report in Section 2.

D. Information, development and evaluation

The Board of Directors and the Council of Governors are supplied in a timely manner with information in an appropriate form and of a quality to enable them to discharge their respective duties. The information needs of both the Board and the Council are agreed in the form of an annual cycle and are subject to periodic review.

The Chair ensures all directors and governors receive a full and tailored induction on joining the Trust and their skills and knowledge are regularly updated and refreshed through seminars and individual development opportunities.

Both the Board of Directors and the Council of Governors regularly review their performance and that of their committees and, in the case of the Board of Directors, the individual members. Appraisals for all Executive and Non-Executive Directors (including the Chair) have been undertaken and the outcomes of these have been reported to the Council of Governors or the Executive Appointments and Remuneration Committee.

as appropriate. The Board of Directors and the Audit Committee have each evaluated their own performance, using a bespoke 'Maturity Matrix'.

E. Director Remuneration

Details of the Trust's processes for determining the levels of remuneration of its Directors and the levels and make-up of such remuneration are set out in the Remuneration Report in Section 2.

F. Accountability and Audit

The Board of Directors undertakes a balanced and understandable assessment of the Trust's position and prospects, maintains a sound system of internal control and ensures effective scrutiny through regular reporting which comes directly to the Board itself or through the Audit Committee.

The Audit Committee is responsible for the relationship with the Trust's auditors, and its duties include providing an independent and objective review of the Trust's systems of internal control, including financial systems, financial information, governance arrangements, approach to risk management and compliance with legislation and other regulatory requirements, monitoring the integrity of the financial statements of the Trust and reviewing the probity of all Trust communications relating to these systems. The Audit Committee receives instructions from the Board of Directors as to any areas where additional assurance is required and formally reports to the Board of Directors on how it has discharged its duty.

Deloitte LLP was appointed by the Council of Governors as the Trust's External Auditor with effect from 1 January 2014. In July 2015, the Council of Governors re-confirmed their appointment for the audit of the accounts for the financial year ending on 31 March 2016.

The Trust's internal audit function is provided through a contract with an independent provider of internal audit services. KPMG LLP have been appointed as internal auditors for the reporting year. The role of the internal auditors is to provide independent, objective assurance on the risk management, control, and governance processes within the Trust, through a systematic, disciplined approach to evaluation and improvement of the effectiveness of such processes. The internal audit team agrees a programme of work with the Audit Committee and provides reports during the year to the Committee.

Additional information regarding audit is set out in the Audit Committee Report on page 43.

G. Relations with Stakeholders

The Board of Directors recognises the importance

of effective communication with a wide range of stakeholders, including members of the Trust.

2.1.2 Compliance with the Code

The Trust is compliant with the Code, save for the following exceptions:

B.1.2 At least half the board of directors, excluding the chair, should comprise non-executive directors determined by the board to be independent.

The Board of Directors is composed of 15 Directors, excluding the Chair. Only seven of the eight Non-Executive Directors are determined to be independent by the Board, as Professor Michael Sheppard has not been so determined as a result of his connections with the Trust's university medical school, his appointment as Chair of the West Midlands Academic Health Science Network and having served more than six years as a Non-Executive Director. The Council of Governors Nomination and Remuneration Committee for Non-Executive Directors has further carried out a rigorous review of Ms Angela Maxwell who has now served as a Non-Executive Director for more than 6 years. However, in light of her board behaviour, her other activities and interests it was agreed that Angela continues to bring an independent view to the board, which was supported by the chair's appraisal.

B.2.4 The chairman or an independent non-executive director should chair the nominations committee(s). In the case of appointments of non-executive directors or the chairperson, a governor should chair the committee.

During the year, the Council of Governors' Remuneration & Nomination Committee for Non-Executive Directors oversaw the re-appointment of one Non-Executive Director for a further term of three years, subject to annual re-appointment. For these appointments, the Committee was chaired by the Chair of the Trust.

B.7.1 Non-Executive Directors may in exceptional circumstances serve longer than six years (e.g. two three-year terms following authorisation of the NHS foundation trust), but subject to annual re-appointment.

Any re-appointment of a Non-Executive Director (NED) for a term exceeding 6 years is subject to a rigorous review of the balance and effectiveness of the board and the individual's competencies. In 2013, Professor Michael Sheppard was re-appointed for a further three years, subject to annual re-appointment, taking his tenure of service up to eight years. The need to re-refresh the board was balanced against the need to provide a degree of continuity given that the then Chair and two other Non-Executive Directors were also retiring at that time. The Council of Governors considered that these exceptional circumstances warranted the further re-appointment of Professor Sheppard.

In June 2015, Ms Angela Maxwell's second 3 year term of office expired. It was felt that her entrepreneurial and commercial experience had been a major factor in the development of the Investment Committee and the wider commercial agenda of the Trust. Her extensive range of contacts with external bodies, her clear understanding of the Trust's culture and background and general experience as a NED were also considered invaluable in the context of the Trust's budding arrangements with other trusts and the Trust's future development. These factors and given the time it takes to recruit a new NED were considered sufficient to warrant her re-appointment for a further term of 3 years, subject to an annual re-appointment.

D.2.3 The Council of Governors should consult external professional advisers to market-test the remuneration levels of the Chairman and other Non-Executives at least once every three years and when they intend to make a material change to the remuneration of a non-executive.

The Council of Governors have not appointed external professional advisers to market-test the remuneration levels of the Chair and other Non-Executive Directors. A material change to the remuneration of the Non-Executive Directors was last considered in 2009/10, when the proposed increases in remuneration were benchmarked against other similar trusts through a remuneration survey carried out by the Foundation Trust Network. For 2010/11, 2011/12 and 2012/13, the Non-Executive Directors did not receive any increase in remuneration, in line with the majority of NHS staff. In 2013/14, the Non-Executive Directors received a 1% inflationary increase, again in line with the majority of NHS staff. Non-Executive directors have not received any increase in remuneration in 2014/15 or 2015/16.

3 Council of Governors

3.1 Overview

The Trust's Council of Governors continues to make a significant contribution to the success of the Trust and its commitment, support and energy is greatly valued. The Council was established in July 2004, with 37 representatives.

The Trust opted to have elected Governors representing patients, staff and the wider public, in order to capture the views of those who have direct experience of the Trust's services, those who work for the Trust, and those that have no direct relationship with the Trust, but have an interest in contributing their skills and experience to help shape its future.

Subsequently, the Council of Governors voted to amend the Constitution of the Trust so that the Council of Governors is now comprised as follows:

- 9 public Governors elected from the Parliamentary Constituencies in Birmingham
- 1 public Governor elected from the Rest of England area
- 3 patient Governors elected by Patient members
- 5 staff Governors elected by the following staff groups:
 - Medical
 - Nursing (2)
 - Clinical Professions Allied to Healthcare
 - Corporate and Support Services
- 4 Stakeholder Governors appointed by four of its key stakeholders

3.2 Governors

Elections for 1 Patient and 4 Public Governors were held in June 2015. Governors elected at these elections were appointed for a three year term commencing on 1 July 2015.

During this year, the Governors have been:

3.2.1 Patient

Shirley Turner	up to 30 June 2015
Linda Stuart	from 1 July 2015
Ian Fairbairn	up to 30 June 2015
Paul Darby	from 1 July 2015
Aprella Fitch	

3.2.2 Public (by Area and Parliamentary Constituency)

Birmingham Area	
Northfield	
Mrs Edith Davies	
Mrs Sandra Haynes MBE	(re-elected)
Selly Oak	
Mrs Valerie Reynolds	up to 30 June 2015
Mr Alex Evans	from 1 July 2015
Dr John Delamere	
Hall Green	
Mr David Spilsbury	up to 30 June 2015
Mrs Bernadette Aucott	from 1 July 2015
Dr Elizabeth Hensel	
Edgbaston	
Dr Anthony Ingold	up to 30 June 2015
Mr Paul Burgess	from 1 July 2015
Mrs Bridget Mitchell	
Ladywood, Yardley, Perry Barr, Sutton Coldfield, Erdington & Hodge Hill	
Dr Sunil Handa	deceased on March 7 2015

Rest of England Area

Dr John Cadle	
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3.2.3 Staff

- Dr Tom Gallacher (Medical Class)
- Susan Price (Clinical Professions Allied to Healthcare)
- Helen England (Nursing Class)
- Margaret Garbett (Nursing Class)
- Patrick Moore (Corporate and Support Services)

3.2.4 Stakeholders

- Rabbi Margaret Jacobi, appointed by the Birmingham Faith Leaders' Group
- Professor Joanne Duberley, appointed by the University of Birmingham (up to 30 May 2015)
- Dr Iestyn Williams, appointed by the University of Birmingham (from 1 June 2015)
- Air Marshal Paul Evans, appointed by the Ministry of Defence (up to 31 December 2015)
- Surgeon Vice Admiral Alasdair Walker, appointed by the Ministry of Defence (from 1 January 2016)
- Cllr Susan Barnett, appointed by Birmingham City Council (up to 30 June 2015)
- Cllr Valerie Seabright, appointed by Birmingham City Council (from 1 July 2015)

3.3 Lead Governor

Dr John Delamere has been appointed by the Council of Governors as Governor Vice-Chair and Lead Governor.

3.4 Meetings

The Council of Governors met regularly throughout the year, holding six meetings in total. The Chair (the Rt Hon Jacqui Smith) attended all meetings.

Name of Governor	Number of meetings attended*
Mrs Bernadette Aucott	5 out of 5
Mr Paul Burgess	4 out of 5
Dr John Cadle	5 out of 8
Mr Paul Darby	1 out of 2
Mrs Edith Davies	7 out of 7
Dr John Delamere	7 out of 8
Mr Alex Evans	4 out of 5
Mr Ian Fairbairn	1 out of 6
Mrs Aprella Fitch	All
Dr Sunil Handa	5 out of 8
Mrs Sandra Haynes MBE	All
Dr Elizabeth Hensel	5 out of 8
Dr Anthony Ingold	0 out of 3
Mrs Bridget Mitchell	6 out of 8
Mrs Valerie Reynolds	1 out of 3
Mr David Spilsbury	3 out of 3
Mrs Linda Stuart	5 out of 5
Mrs Shirley Turner	3 out of 3
Stakeholder Governors	
Cllr Susan Barnett	0 out of 2
Cllr Valerie Seabright	2 out of 5
Prof Joanne Duberley	1 out of 2
Dr Iestyn Williams	5 out of 6
Air Marshal Paul Evans	2 out of 7
Surg Vice Admiral Alasdair Walker	1 out of 1
Rabbi Margaret Jacobi	5
Staff Governors	
Ms Helen England	3
Dr Tom Gallacher	2
Mrs Margaret Garbett	4
Mr Patrick Moore	7
Ms Susan Price	1**

*While a member of the Council of Governors.

**Susan Price was on long term leave during part of the reporting period.

3.5 Steps the Board of Directors, in particular the Non-Executive Directors, have taken to understand the views of the Governors and members

- Attending, and participating in, Governor meetings and monthly Governor seminars
- Attending, and participating in, joint Council of Governor and Board of Director meetings to look forward and back on the achievements of the Trust
- Attendance and participation at the Trust's Annual General Meeting
- Governors and Non-Executive Directors are members of various working groups at the Trust e.g., Strategic Planning Group, Care Quality Group
- During the Reporting Period, two meetings, on 21 September 2015 and 24 March 2016, have been held between the Non-Executive Directors and Governors to facilitate the Governors in holding the Non-Executive Directors, individually and collectively, to account for the performance of the Board.

3.6 Governors' Register of Interests

The Trust's Constitution and Standing Orders of the Council of Governors requires the Trust to maintain a Register of Interests for Governors. Governors are required to declare interests that are relevant and material to the Board. These details are kept up-to-date by an annual review of the Register, during which any changes to interests declared during the preceding 12 months are incorporated. The Register is available to the public on request to the Director of Corporate Affairs, University Hospitals Birmingham NHS Foundation Trust, Trust Headquarters, PO Box 9551, Mindelsohn Way, Edgbaston, B15 2PR.

4 Board of Directors

4.1 Overview

During the reporting period, the Board of Directors comprised the Chair, seven Executive and eight Non-Executive Directors.

Throughout the reporting period, Professor Michael Sheppard held the appointment of Deputy Chair. Catriona McMahon held the appointment of Senior Independent Director. The Senior Independent Director is available to meet stakeholders on request and to ensure that the Board is aware of member concerns not resolved through existing mechanisms for member communications.

During the reporting period, the Board has been comprised as follows:

- Chair: Rt Hon Jacqui Smith
- Chief Executive: Dame Julie Moore
- Chief Financial Officer: Mike Sexton
- Executive Medical Director: Dr David Rosser
- Executive Director of Delivery: Tim Jones
- Executive Chief Nurse: Philip Norman
- Executive Chief Operating Officer: Cherry West
- Executive Director of Strategic Operations: Kevin Bolger
- Non-Executive Directors:
 - David Hamlett
 - Angela Maxwell
 - David Waller
 - Professor Michael Sheppard
 - Jane Garvey
 - Harry Reilly
 - Catriona McMahon
 - Jason Wouhra

The Non-Executive Directors have all been appointed or re-appointed for terms of three years.

Name	Date of appointment/latest renewal	Term	Date of end of term
Rt Hon Jacqui Smith	1 December 2013	3 years	30 November 2016
Prof Michael Sheppard	5 December 2013	3 years	4 December 2016
Angela Maxwell	1 July 2012	3 years	30 June 2015
David Hamlett	1 October 2014	3 years	30 September 2017
David Waller	1 October 2014	3 years	30 September 2017
Jane Garvey	1 December 2013	3 years	30 November 2016
Harry Reilly	1 December 2013	3 years	30 November 2016
Catriona McMahon	1 June 2014	3 years	31 May 2017
Jason Wouhra	1 December 2014	3 years	30 November 2017

The Board of Directors considers Angela Maxwell, David Hamlett, David Waller, Jane Garvey, Harry Reilly, Catriona McMahon and Jason Wouhra to be independent. In coming to this determination, the Board of Directors has taken into account the following:

Jason Wouhra is the Regional Chairman of Institute of Directors West Midlands and Angela Maxwell is a Member of the Regional Committee of the IoD.

4.2 Board meetings

The Board met regularly throughout the year, holding 9 meetings in total.

Directors	Number of meetings attended
Rt Hon Jacqui Smith	All
Dame Julie Moore	All
Mike Sexton	All
Tim Jones	8
Prof Michael Sheppard	8
Dr David Rosser	All
Philip Norman	All
Angela Maxwell	8
Kevin Bolger	7
David Hamlett	8
David Waller	8
Jane Garvey	All
Harry Reilly	All
Cherry West	8

Directors	Number of meetings attended
Catriona McMahon	8
Jason Wouhra	5

4.3 The Board of Directors composition

Rt Hon Jacqui Smith, Chair

Jacqui read Philosophy, Politics and Economics (PPE) at Hertford College, Oxford and gained a PGCE from Worcester College of Higher Education. She taught Economics at Arrow Vale High School in Redditch from 1986 to 1988 and at Worcester Sixth Form College, before becoming Head of Economics and GNVQ Co-ordinator at Haybridge High School, Hagley in 1990.

Jacqui was the Member of Parliament for Redditch from 1997 until 2010 and the first ever female Home Secretary in the country. She entered the Government in July 1999 as a Parliamentary Under-Secretary of State at the Department for Education and Employment and became a Minister of State at the Department of Health following the 2001 General Election. Following the 2005 General Election, Jacqui was appointed to serve as the Minister of State for Schools in the Department for Education and Skills. In the 2006 reshuffle she was appointed as the Government's Chief Whip. She was Home Secretary from June 2007 until June 2009.

She formally took up her new role as Chair of the Trust from December 2013. Since December 2015 she has held the post of Interim Chair at Heart of England NHS Foundation Trust, in addition to her role at UHB.

Dame Julie Moore, Chief Executive

Julie is a graduate nurse who worked in clinical practice before moving into management. After a variety of clinical, management and director posts, she was appointed as Chief Executive of University Hospitals Birmingham (UHB) in 2006.

Julie is a member of the following bodies: The International Advisory Board of the University of Birmingham Business School, the Court of the University of Birmingham and is a Governor of Birmingham City University. She was an independent member of the Office for Strategic Co-ordination of Health Research (OSCHR) from 2009 to 2015 and was a member the Faculty Advisory Board of the University of Warwick Medical School until 2015. In 2013 Julie visited Camp Bastion, Afghanistan to visit and present awards to clinical staff based there.

In September 2015 she was appointed as a Non-Executive Director of the national Precision Medicine Catapult. She is a founder member and past Chair of the Shelford Group, 10 leading academic hospitals in England.

In April 2011 she was asked by the Government to be a member of the NHS Future Forum to lead on the proposals for Education and Training reform and in August 2011 was asked to lead the follow up report. In September 2013, in recognition of the high quality of clinical care at UHB, Julie was asked by Secretary of State to lead a UHB team for the turnaround of two poorly performing Trusts in special measures and since helped two further Trusts. Since October 2015 she has held the post of Interim Chief Executive at Heart of England NHS Foundation Trust, in addition to her role at UHB.

In 2014 she chaired the HSJ Commission on Hospital Care for Frail Older People and she was a member of the expert panel for the 2014 Dalton Review into New Models of Hospital Provision. In 2015 she was asked by Lord Victor Adebowale to join the members of the NLGN Commission on Collaborative Health Economies.

Executive Directors

Kevin Bolger, Executive Director of Strategic Operations

Kevin trained as a nurse in the early eighties then worked in clinical haematology, respiratory and acute medicine. As a ward manager he gained a Masters in Business Administration. His career then moved away from clinical responsibilities into general management and operations including managing a variety of areas, from Theatres to Accident and Emergency. He moved to the Trust in 2001 as Group Manager for Neurosurgery and Trauma and after 12 months was promoted to Director of Operations for Division Three. In 2006 he became Deputy Chief Operating Officer and was made Chief Operating Officer in June 2009, responsible for the day-to-day running of the Queen Elizabeth and Selly Oak hospitals. He led the historic, safe and successful operational transition of two hospitals into the UK's largest single site hospital between June 2010 and April 2012. He oversaw the hospital going live as a Major Trauma Centre in March 2012 and in September 2012 was appointed to the new position of Executive Director of Strategic Operations and External Affairs to lead regional and national work supporting Trusts in special measures and further develop the Trust's international developments. Kevin also holds the position of Interim Deputy CEO (Improvement) at Heart of England NHS Foundation Trust, in addition to his role at UHB.

Tim Jones, Executive Director of Delivery

After graduating from University College Cardiff with a joint honours degree in History and Economics, Tim joined the District Management Training scheme at City and Hackney Health Authority based at St Bartholomew's Hospital in London.

Tim joined UHB in 1995 as an operational manager in General Medicine and Elderly Care. He continued to work in Operations until 2002 when he undertook the role of

Head of Service Improvement and led the New Hospital Clinical Redesign Programme before being appointed to the role of Chief Operating Officer in June 2006. In September 2008 he was appointed to the newly-created role of Executive Director of Delivery which incorporates board level responsibility for Strategy, Research, Education and Workforce.

Tim is also an executive Director of Birmingham Health Partners, joint Theme Director for the West Midlands Academic Healthcare Science Network (AHSN) Digital Health programme, a member of Birmingham Smart City Commission, a board member of Birmingham Science City, Greater Birmingham & Solihull LEP Life science Employment and Skills Champion and the Industry Governor for Harborne Academy.

Philip Norman, Executive Chief Nurse

Philip joined the Trust in October 2013 from Leeds Teaching Hospitals NHS Trust, where he undertook a number of senior nursing and operational roles, including Acting Chief Nurse, Assistant Chief Nurse, Operational Deputy Chief Nurse (Associate Director of Nursing equivalent) and Divisional General Manager (Director of Operations) for Medicine.

Philip has led a number of initiatives, both at divisional and Trust-wide level, to further improve patient care and services. This includes significant improvements in infection prevention and control, redesigned services including admission avoidance schemes, safer medical flow, care closer to home and improved ward environments leading to improved patient, carer and staff experience.

Philip has also worked with university colleagues on the development of new roles and with partners in the community and the local authority to further improve patient care and services across the health and social care setting. He undertook the role of Governor within the Leeds Partnerships NHS Foundation Trust (mental health trust).

Philip qualified as a registered nurse in 1988 and undertook a number of clinical roles within areas such as Older Adults, Emergency Department, High Dependency Care, Colorectal Surgery and Vascular Surgery. Philip also completed a Masters Degree (MA) in Management and Leadership.

Dr David Rosser, Executive Medical Director

Qualified from University College of Medicine, Cardiff in 1987, worked in general medicine and anaesthesia in South Wales, moving to London in 1993 as a research fellow in critical care and subsequently Lecturer in Clinical Pharmacology in UCLH. Appointed to a Consultant post in Critical Care at University Hospitals Birmingham in 1996.

Appointed as Specialty Lead for Critical Care in 1998, as

Group Director responsible for Critical Care, Theatres, CSSD and Anaesthesia in 1999 and as Divisional Director responsible for 10 clinical services in 2002.

Seconded two days per week to the NPfIT in 2004 and appointed as Senior Responsible Owner for e-prescribing in November 2005 – April 2007.

Appointed as Executive Medical Director of University Hospitals Birmingham NHS Foundation Trust (UHB) in December 2006, with responsibilities including Executive Lead for Information Technology. Has led the in-house development and implementation of advanced decision support systems into clinical practice across the organisation.

Took up the role of Interim Deputy Chief Executive with responsibility for clinical quality at Heart of England NHS Foundation Trust (HEFT) in November 2015, in addition to the Medical Director role at UHB, and was appointed as Executive Medical Director of HEFT in March 2016 retaining the responsibilities of the MD at UHB and the Interim Deputy CEO at HEFT.

Mike Sexton, Executive Chief Financial Officer

Mike, who became FD in December 2006, spent five years in the private sector working for the accountancy firm KPMG and had a spell in commissioning at the Regional Specialities Agency (RSA) before joining the Trust in 1995. Over the last 19 years he has held numerous positions including Director of Operational Finance and Performance and Acting Director of Finance. Mike is also the executive lead for international affairs, commercial development, healthcare contracts, procurement, arts and charities.

Cherry West, Executive Chief Operating Officer

Cherry joined the Trust as Chief Operating Officer in August 2014, and is the lead for delivery of patient services and operational performance through the Trust's Clinical Divisions.

She trained in medical physics and started her NHS career as a Clinical Physiologist in London. Cherry also spent some time in clinical research, and health services research and evaluation before moving into general management in the late 1990s undertaking a range of operational roles.

Cherry has had a successful record in managing complex health services and has spent the majority of her career in large acute trusts leading operational delivery and numerous transformation and service redesign programmes. Immediately prior to her appointment at UHB, Cherry held the position of Chief Operating Officer at Portsmouth Hospitals NHS Trust. Before that, she held two divisional roles and was Executive Board member for eight years at the Norfolk and Norwich University Hospitals NHS Foundation Trust.

Qualifications include: MSc from University College London, MBA from Henley Management College and Diploma Health Planning and Management from Birkbeck College, University of London.

Non-Executive Directors

Professor Michael Sheppard, Deputy Chairman

Professor Sheppard was appointed a Non-Executive Director of the Trust in December 2007. He graduated from the University of Cape Town with MBChB (Hons), and was later awarded a PHD in Endocrinology.

His career at Birmingham began in 1982, when he was appointed as a Wellcome Trust Senior Lecturer in the Medical School at the University of Birmingham. He then subsequently held the roles of the William Withering Professor of Medicine, Head of the Division of Medical Sciences, Vice-Dean and Dean of the Medical School, and Vice Principal of the University of Birmingham. He is currently Chair of the Board of the West Midlands Academic Health Science Network and holds an Honorary Professor title at the University of Birmingham. Michael's main clinical and research interests are in thyroid diseases and pituitary disorders.

He holds honorary consultant status at the Trust and has published over 230 papers in peer reviewed journals and has lectured at national and international meetings, particularly the UK, Europe and the USA Endocrine Societies.

Jane Garvey

Presenter of "Woman's Hour", Jane was brought up in Liverpool, moving to Birmingham in the early 1980s as a student to study English Literature. Her early experience of the NHS came through her mother, who was a receptionist at the Royal Liverpool Hospital and, after leaving University, Jane's first job was as a Medical Records Clerk at the same hospital.

Jane then returned to the West Midlands and embarked upon her career in broadcasting. In 1994, Jane moved into national radio and after thirteen years at Five Live she moved to Radio 4 to present Woman's Hour.

Jane, who has strong connections to the West Midlands, is keen to broaden her experience outside the "BBC bubble". She brings well-developed, high-level communications skills, developed over her very successful 20 year career in broadcasting. Jane's experience has given her valuable exposure to interacting with both high-profile figures and the public.

David Hamlett

David is a qualified solicitor who has worked at Linklaters & Paines (1978-1983) and then Wragge & Co LLP (1983-Present (Partner 1988)). He has a strong track

record as a Birmingham-based lawyer, with the added breadth of working with clients from around the world, and across the commercial and public sectors.

David co-leads Wragge's health business, a practice which has developed and grown predominantly as a result of its being retained by the Department of Health as independent legal advisors to 46 health trusts and Independent Sector Treatment Centres. Wragge's health practice work takes him around the world, including advising in Abu Dhabi and Bahrain on joint partnerships. In addition to his health expertise, David has a strong track record working in defence; another highly regulated and complex sector.

Angela Maxwell OBE

Angela achieved prominence as one of the region's most dynamic entrepreneurs after she powered Fracino, the UK's only manufacturer of espresso and cappuccino machines from a £400,000 turnover in 2005 into a £3.6million world-class leading brand when she sold her interests in 2008.

A former European adviser to UK Trade & Investment, a finalist in Businesswoman of the Year 2005, Angela's latest enterprise is Acuwomen, the UK's first company to bring an all-women group of entrepreneurs under one roof. Angela is also an accredited business coach for the National Growth Accelerator programme and for UKTI. In 2010 Angela was awarded an honorary doctorate for business leadership from the University of Birmingham and was made an **OBE** for services to business. She recently co-launched Vibe Generation, specialists in intellectual property creation and product commercialisation. She is also Chair of the Birmingham Rep Theatre.

Harry Reilly

Harry who trained as an accountant with Deloitte in the mid-1970s, joined British Leyland Plc in 1982. His career in the automotive sector took him via Leyland Trucks, DAF Holland, Rover Group and BMW.

During that time Harry has taken the opportunity to take on broader management positions and when he moved to the Rover Group and BMW he spent time in the Far East, Australia and South Africa, as well as some of the more developed markets in Europe and America.

In 1999 Harry was made Managing Director of Land Rover UK, immediately prior to its sale by BMW. He subsequently joined Brintons as Finance Director and later Managing Director, tasked with turning around and rebuilding the group. Since then Harry has taken on a variety of positions alongside his non-executive work. He supported a start-up technology business and since 2011 has been Chief Executive of a Canadian flooring business and more recently a Chinese/Canadian joint venture. Harry continues to Chair the British American Business

Council in the Midlands and is a non-executive director for the West Midlands Manufacturing Consortium.

Harry is passionate about Birmingham and the West Midlands and feels that the Trust is a real beacon of excellence, deserving of its strong regional and national reputation.

David Waller

David is Chairman of Pertemps Network Group Holdings Ltd, one of the UK's largest, recruitment, training and outsourcing companies. In addition, he is Chairman of Nexus Professional Network Ltd an organisation that provides accountancy, legal and tax experts to projects and on an interim basis. He holds a number of other company appointments including the Chairmanship of Birmingham Chamber of Commerce Group, Director of the National Exhibition Centre (NEC), Director of MIRA Ltd, Chairman of Delami Investments Ltd and Chairman of Event That Ltd. He is also a trustee of Millennium Point Trust Ltd and a partner in JWZ LLP and JWZ Investments LLP.

Up until January 2009, David was Senior Partner of PricewaterhouseCoopers' Birmingham Office and PwC Regional Chairman with responsibility for 2,500 professional staff and over £250 million of revenues. He also headed PwC's regional Management Consultancy practice and represented PwC Middle Market interests globally. He was lead partner for several major clients in both the Private and Public Sectors. During his time with PwC he was actively involved with over 200 clients of all types and sizes.

Jason Wouhra

After graduating with a BA in Law with Business Studies from Staffordshire University, Jason joined the family business, East End Food plc, in 1998 and manages its central Birmingham depot. He is currently Director and Company Secretary of the organisation, now one of the largest ethnic food businesses in the country with a turnover of around £180m. As Operations Director of the company's cash and carry arm, his remit includes HR, marketing, sales and CRM.

Jason is currently Chairman of the Institute of Directors for the West Midlands and represents the region's business leaders on a number of forums, including at a national level. He is also Chairman of the Library of Birmingham Advisory Board. Jason was previously Vice Chairman of the Black Country Local Enterprise Partnership. He is also an IoD-qualified chartered director.

He is a regional board member for the Prince's Trust in the West Midlands and works with another of the Prince's charities, Prime, which supports the over-50s. He sits on the boards of the universities of Aston, Birmingham and Wolverhampton. He works with Macmillan Cancer Care and Marie Curie and headed a

Disasters Emergency Committee appeal that raised over £36k for the Philippines after the 2013 typhoon.

Dr Catriona McMahon

Catriona is a physician with over 16 years' experience in pharmaceutical medicine. She worked for AstraZeneca in the UK as their Medical and Healthcare Affairs Director until December 2014. She has wide experience in Medical Affairs and Clinical Operations, in leading a complex Medical and Healthcare Affairs Directorate and in working as a national level board member in both the UK and Canada.

Catriona is passionate about the NHS, patient access to medicines and excellence in patient care. She was the Chair of the Medical Expert Network, a member of the Innovation Strategy Board and Reputation Strategy Group of the ABPI, and co-chair of the MISG Clinical Research Working Group until December 2014. In addition, she is a former member of the NICE Appeals Panel and NICE Neuroscience Guidelines Review Panel.

As well as her role as a Non-Executive and Senior Independent Director for UHB NHS Foundation Trust, she is owner of, and an Executive Coach within, her own Coaching business, specialising in supporting the development and delivery of senior leaders in the Healthcare and Life Science Sectors.

Catriona attended Edinburgh Medical School and, prior to joining the Pharmaceutical Industry, Catriona practised Anaesthetics and Critical Care Medicine in the NHS for nine years.

4.4 Directors' Register of Interests

The Trust's Constitution and Standing Orders of the Board of Directors requires the Trust to maintain a Register of Interests for Directors. Directors are required to declare interests that are relevant and material to the Board. These details are kept up-to-date by an annual review of the Register, during which any changes to interests declared during the preceding 12 months are incorporated. The Register is available to the public on request to the Director of Corporate Affairs, University Hospitals Birmingham NHS Foundation Trust, Trust Headquarters, PO Box 9551, Mindelsohn Way, Edgbaston, B15 2PR.

5 Audit Committee

5.1 Overview

The Audit Committee is a committee of the Board of Directors whose principal purpose is to assist the Board in ensuring that it receives proper assurance as to the effective discharge of its full range of responsibilities. Its duties include providing an independent and objective review of the Trust's systems of internal control, including

financial systems, financial information, governance arrangements, approach to risk management and compliance with legislation and other regulatory requirements, monitoring the integrity of the financial statements of the Trust and reviewing the probity of all Trust communications relating to these systems.

The Committee meets regularly and was chaired by David Waller. The Committee currently comprises four Non-Executive Directors of the Trust, with the external and internal auditors and other Executive Directors attending by invitation.

5.2 Membership of the Committee

The members of the Committee during 2015/16 were as follows:

- Mr David Waller
- Ms Jane Garvey
- Mr Harry Reilly
- Dr Jason Wouhra

The members of the Committee disclosed their interests, which included the following, in the Trust's Register of Interests:

Mr David Waller – Director and part-owner, Pertemps Network Group Limited; Non Executive Director, NEC Group Limited; Executive Director and major shareholder, Nexus Professional Network Ltd; Director, Delami Investments; Non-Executive Director – Mira Limited; and Chairman – Eventthat Limited; Chairman – Birmingham Chamber of Commerce & Industry Ltd; Trustee – Millennium Point Trust Ltd; Patron – St Giles Hospice

Ms Jane Garvey – nil declared

Mr Harry Reilly – Director – Yuji TacFast UK Limited, West Midlands Manufacturing Consortium Limited, Winning Moves Limited, Galtons and Associates; Partner – TacFast Systems UK LLP; Chairman – British American Business Council Midlands

Dr Jason Wouhra – Director & Company Secretary – East End Foods plc, Regional Chairman – Institute of Directors, Co-Chair – Advisory Board Library of Birmingham, Board Member – Aston University Development Board, Board Member – Birmingham University Ethnicity and Diversity Alliance; and Commissioner – Child Poverty Commission.

The Committee's principal support officer throughout the year was the Director of Corporate Affairs. The Chief Financial Officer, Chief Operating Officer, Chief Nurse, Deputy Director of Corporate Affairs and Head of Clinical Risk and Compliance, together with representatives of both the External and Internal Auditors, attended the

meetings of the Committee as a matter of course. Other directors and officers of the Trust attended meetings of the Committee as and when required.

5.3 Operation of the Committee

The Committee is required to meet at least four times a year. A total of six ordinary meetings took place during 2015/16 and were attended as follows:

Directors	Number of meetings attended
David Waller	4
Jane Garvey	All
Harry Reilly	All
Jason Wouhra	5

The action plan following the annual self-assessment of 2014/15 was addressed and all recommendations were implemented during the reporting year. The annual self-assessment for 2015/16 is under way and its findings will be reported to the Council of Governors' meeting in July 2016.

The Committee has also maintained its practice of agreeing an annual cycle of business which is designed to facilitate forward planning and to assist the Committee in ensuring that all aspects of its terms of reference are being fulfilled.

The Audit Committee receives specific instructions from the Board of Directors as to the areas where additional assurance is required and has formally reported back to the Board of Directors on how it has discharged its duty. The Audit Committee has thus supported the Board of Directors in making its 'fair, balanced and understandable' statement. During 2015/16, the Audit Committee considered the following significant issues in relation to financial statements, operations and compliance:

- Risks to the financial statements, including:
 - Recognition of NHS revenue
 - Capital programme and valuation
 - Accruals and provisions
- Key Financial Controls, including:
 - Treasury management
 - Income and receivables
 - Expenditure & payables
 - PPE
 - General ledger
 - Budgetary Control
- The Trust's Board Assurance Framework (BAF) and risk management

- A review of 8 of the 45 IG Toolkit standards as published by the HSCIC
- A review of the Trust's Assurance Framework, processes for validating compliance with CQC Essential (Fundamental) Standards
- A procurement review of the Trust's proposed strategy and compliance analysis with existing policies, processes and operation of controls
- A performance review of the Trust's Oceano PAS system which tracks a patient's journey through the Trust
- Cyber liability

During the reporting period the Audit Committee submitted formal reports to the Board of Directors' meetings following each Audit Committee meeting.

5.4 Auditors

During 2015/16, the Trust's External Auditor has been Deloitte LLP.

The current contract for the appointment of External Auditors is for a term of up to four years from 1 January 2014 subject to annual review by the Audit Committee and reappointment by the Council of Governors. The Audit Committee carries out a review of the effectiveness of the External Auditor following the completion of each annual audit, assessing the External Auditor's performance against an agreed framework and seeking the views of officers of the Trust, and reports the outcome of that review to the Council of Governors, together with a recommendation as to whether the External Auditor should be re-appointed for the following year.

Deloitte LLP: £103,000.

Deloitte LLP provided the following non-audit services during 2015/16:

- **Statutory and audit-related work:** £44,346.
- **Counter Fraud Service:** £52,000.

5.5 Independence of External Auditors

To ensure that the independence of the External Auditors is not compromised where work outside the audit code has been purchased from the Trust's external auditors, the Trust has a Policy for the Approval of Additional Services by the Trust's External Auditors, which identifies three categories of work as applying to the professional services from external audit, being:

- a. Statutory and audit-related work – certain projects where work is clearly audit-related and the external

auditors are best-placed to do the work (e.g. regulatory work, e.g. acting as agents to Monitor, the Audit Commission, the Care Quality Commission, for specified assignments). Statutory and audit-related work assignments do not require further approval from the Audit Committee or the Council of Governors.

- b. Audit-related and advisory services – projects and engagements where the auditors may be best-placed to perform the work, due to:
 - Their network within and knowledge of the business (e.g. taxation advice, due diligence and accounting advice) or
 - Their previous experience or market leadership

Recognising that the level of non-audit fees may also be a threat to independence, a limit of £25,000 will be applied for each discrete piece of additional work, above which limit prior approval must be sought from the Council of Governors, following a recommendation by the Audit Committee. Neither approval of the Council of Governors nor a recommendation from the Audit Committee will be required for discrete pieces of work within this category with a value of less than £10,000, subject to a cumulative limit of £25,000 per annum.

- c. Projects that are not permitted – projects that are not to be performed by the external auditors because they represent a real threat to the independence of the external auditor.

5.6 Auditors' reporting responsibilities

Deloitte LLP, the Trust's independent auditors, report to the Council of Governors through the Audit Committee. Deloitte LLP's accompanying report on our financial statements is based on its examination conducted in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006, the Code of Audit Practice and the Financial Reporting Manual issued by the independent regulator Monitor. Their work, performed under International Standards on Auditing (UK and Ireland), includes a review of our internal control structure for the purposes of designing their audit procedures.

6 Nominations Committees

6.1 Council of Governors' Remuneration & Nominations Committee for Non-Executive Directors

The Council of Governors' Remuneration & Nomination Committee for Non-Executive Directors is a committee of the Council of Governors responsible, amongst other things, for advising the Council of Governors and making recommendations on the appointment of Non-Executive

Directors, including the Chair of the Trust. Its terms of reference, role and delegated authority have all been agreed by the full Council of Governors. The committee meets on an as-required basis.

The Remuneration & Nomination Committee for Non-Executive Directors comprises the Chair and five Governors of the Trust. The Chair chairs the committee, save when the post/remuneration of the Chair is the subject of business, in which case the committee is chaired by the Governor Vice-Chair.

During the reporting year the membership of the Committee was as follows:

Council of Governors' Remuneration and Nominations Committee
Rt Hon Jacqui Smith (Chair)
Dr John Delamere (Governor Vice-Chair)
Mrs Sandra Haynes MBE
Ian Fairbairn (up to 30 June 2015)
Mrs Linda Stuart (from 1 July 2015)
Dr Tom Gallacher
Rabbi Margaret Jacobi
Catriona McMahon (as Senior Independent Director)

The Remuneration & Nominations Committee met three times during the year.

Directors	Number of meetings attended
Rt Hon Jacqui Smith	2
Dr Tom Gallacher	1
Dr John Delamere	2
Mr Ian Fairbairn	0
Sandra Haynes	All
Rabbi Margaret Jacobi	2
Catriona McMahon*	2
Margaret Garbett**	1

*As senior Independent Director.

** Attended on behalf of other Governors on 17 June 2015

6.2 Nominations Sub-Committee

When there is a vacant post in the Trust's Executive team, the Executive Appointments and Remuneration Committee (EARC) appoints a Nominations Sub-Committee to deal with this appointment. During the reporting year, there was no such vacant position.

7 Membership

7.1 Overview

The Trust has three membership constituencies as follows:

- Public constituency (including the Rest of England constituency)
- Patient constituency
- Staff constituency

Public Constituency

The public constituencies correspond to the Parliamentary constituencies of Birmingham and a further constituency – the Rest of England constituency – which allows individuals who live outside the Public constituency, but are not Patient or Staff members, to become members of the Public constituency. Public members are drawn from those individuals who are aged 16 or over and:

- Who live in the area of the Trust; and
- Who are not eligible to become members of the staff constituency

Patient Constituency

Patient members are individuals who are:

- Patients or Carers who are aged 16 or over; and
- Not eligible to become members of the staff constituency and are not members of any other constituency

N.B. A patient who lives in a public constituency area of the Trust will normally be registered as a member of the Public Constituency but this does not affect his/her ability to be a patient member by making an application for that membership.

Staff Constituency

The Staff Constituency is divided into four classes:

- Medical Staff;
- Nursing Staff;
- Clinical Professions Allied to Healthcare Staff; and
- Corporate and Support Services Staff

7.2 Membership Overview by Constituency

Constituency	Total at 31/03/16	%
Public	11,142	46
Patient	4,018	17
Staff	9,089	37
Total Membership	24,249	100

Patient Representation

	Patient members	Rest of England population	Membership as a %	Population as a %
Gender				
Female	2,029	26,450,961	50.22%	50.83%
Male	2,010	25,582,508	49.75%	49.17%
Unknown	1	0	0.02%	0.00%
Total	4,040	52,033,469		
Monitor Ethnicity				
White	2,849	44,694,551	70.52%	85.90%
Black	32	1,761,370	0.79%	3.39%
Asian	161	3,898,185	3.99%	7.49%
Mixed	11	1,149,450	0.27%	2.21%
Other	3	529,913	0.07%	1.02%
Unknown	984	0	24.36%	0.00%
Total	4,040	52,033,469		
Monitor Age Range (eligible population)				
Age 0–6	0	10,657,407	0.00%	20.39%
Age 17–21	4	3,402,381	0.10%	6.51%
Age 22+	3,467	38,202,337	85.82%	73.10%
Unknown	569	0	14.08%	0.00%
Total	4,040	52,262,125		

Public Representation

	Public members	Birmingham population	Membership as a %	Population as a %
Gender				
Female	6,142	492,347	54.93%	50.29%
Male	4,990	486,640	44.63%	49.71%
Unknown	50	0	0.45%	0.00%
Total	11,182	978,987		
Monitor Ethnicity				
White	6,744	586,591	60.31%	59.92%
Black	383	85,244	3.43%	8.71%
Asian	1,342	245,218	12.00%	25.05%
Mixed	110	43,429	0.98%	4.44%
Other	33	18,505	0.30%	1.89%
Unknown	2,570	0	22.98%	0.00%
Total	11,182	978,987		
Monitor Age Range (eligible population)				
Age 0–6	0	14,106	0.00%	1.88%
Age 17–21	41	77,240	0.37%	10.29%
Age 22+	9,551	658,985	85.41%	87.83%
Unknown	1,590	0	14.22%	0.00%
Total	11,182	750,331		

7.3 Membership Strategy

7.3.1 Membership Development 2015/16

During 2015/16 the overall membership remained consistent with just a small increase from 24,211 to 24,249. The Staff constituency saw the largest increase in members – some 271 – due to recruitment of permanent staff to manage the increase in capacity. The public constituency also marginally increased however, the Public constituency lost 289 members. The main reason for this is a number of older patient members who died during the year.

Foundation Trust membership is largely representative of the populations it serves and has members from a broad range of backgrounds and the Trust publicises their contributions both internally and externally, for example through 'Member of the Year'.

Although under-16s appear to be underrepresented this is due to under-16s being ineligible for both membership and treatment at UHB.

Black and Asian patients are underrepresented by approximately 3.5%. However, around one quarter of patient members have chosen not to provide ethnicity information therefore it is unclear as to whether those patients are of non-white backgrounds. This is replicated in the public constituency where Black and Asian public

members are underrepresented by around 5% and 12% respectively. Again around 1 in 4 (22%) public members choose not to declare their ethnicity.

In order to increase BME membership, a plan to attract further members from BME communities which began in March 2016, will be executed through 2016/17. Activities include;

- Targeted membership social media content
- Community-based recruitment via governors
- Further promotion of BME member contributions

7.3.2 Membership Objectives 2015/16

In April 2015 the Board of Directors approved the proposed Membership Engagement and Recruitment Strategy to replace the annual churn and maintain existing membership numbers to no less than 23,500. Emphasis was placed on the retention of existing members and further engagement, and achieved through:

- The quarterly publication Trust in the Future
- Further development of the Ambassador Programme, ensuring that Ambassadors are involved in appropriate activities and contributing to the recruitment of new members

- Further developing membership content published via social media and the Trust website
- Community based activities such as drop-in sessions at GP surgeries, presentations to community groups and involvement in constituency events
- The inclusion of members on appropriate patient groups
- Raising the profile and role of Foundation Members, Ambassadors and Governors within the Trust
- Working with QEHB Charity to increase membership opportunities amongst fundraisers

In November 2015, UHB held its annual Membership Week campaign to attract new members. This year the campaign was supported by social media activity highlighting the work of members and raising awareness of their roles within the Trust.

7.3.3 Forward Plan/Objectives 2016-17

The successful strategy employed in 2015/16 – i.e, ‘maintain numbers and replace churn’ will be employed again in 2016/17.

There are no plans to launch a major recruitment campaign during the year. Such a campaign would cost between £12,000 and £15,000 to yield around 3,000 new members.

The objectives for 2015/16 are:

- To replace the annual churn and maintain existing membership numbers to no less than 23,500. With a membership of 23,500, UHB would be in the top 10 of foundation trusts with the highest number of members, based on 2012/13 figures which are the most recently available; and
- To ensure the membership is representative

7.3.4 Governors’ Development 2015/16

Meetings are held approximately 3–4 times a year. This team is made up of Governors from across all the constituencies and is overseen by the Director of Corporate Affairs. The content of seminars is agreed across the year. Last year’s topics covered the following:

- Significant Transactions
- Discharge Process
- Patient Experience
- Monitor’s New Role
- Hospital Mortality

- Research
- Initial Discussion on Next Year’s Annual Plan

In addition, an educational talk was held on the Trust’s training of Junior Doctors.

For 2016/17 topics are set to include:

- The political environment – horizon scanning
- The Trust’s approach to Regulatory Compliance and Clinical Quality
- An overview of the RCDM and its presence at QEHB
- The Trust’s relationship with the University of Birmingham
- An insight into the role and physical presence of religious groups
- Initial discussion on the Annual Plan

An educational talk will be held on the Trust’s nursing structure (different bands/roles/responsibilities) and the Organ Transplant Programme.

All the Governors attend update/training courses as part of the GovernWell programme run by the NHS Providers (formerly FTN). The themes covered each year are:

- Effective Questioning & Challenging
- Core Skills
- NHS Finance & Business Skills
- The Governor role in Non Exec Appointments

7.3.5 Member communication with governors and/or directors

There are several ways for members to communicate with governors and/or directors. The principal ones are as follows:

- Face-to-face interaction at monthly Members’ Seminars. Governors attend these meetings and use them as a ‘surgery’ for members
- Telephone, written or electronic communications co-ordinated through the Membership Office which then steers members to the appropriate Governor/Director
- Governors’ Drop-in Sessions. These sessions are held monthly at the Queen Elizabeth Hospital Birmingham. A mix of staff, patient and public governors ‘set up camp’ and talk to, advise, and take comments from staff, patients and visitors. These are then fed back to the Executive Directors for comment/action

- The Annual General Meeting
- Website. Each Governor has their profile and details of the constituency they serve, published on the Trust website including email address
- ‘Trust in the Future’ magazine – highlights work of Governors and opportunities to be involved in projects/patient experience groups and promotes how members can contact the Membership Office or meet governors via regular drop-in sessions and health talks
- Governors attend community presentations held their constituency in relation to the hospital/patients issues
- Health Talks. Governors attend health talks which are held on a monthly basis for members and wider community. Evening sessions are also held to provide greater access
- news@QEHB – Trust newspaper distributed through the hospital sites
- Social media tools – Twitter, Facebook, Flickr and YouTube
- Membership Week – activities held over 5 days aimed at promoting membership
- Monthly recruitment stand in the hospital atrium

7.3.6 Contacting the Membership Office

Membership Office triages queries from members to the most appropriate governor and or Director for action.

Email: **membership@uhb.nhs.uk**

Telephone: **0121 371 4323**

Post: **Membership Office, University Hospitals
Birmingham, Mindelsohn Way, Edgbaston,
Birmingham, B15 2TH**

Section 1 | Annual Report

Staff Report

8.1 Breakdown of the number of male and female staff at end of 2015/16

	Female	Male	Total
All staff	6,474	2,509	9,000
Directors*	2	5	7
Senior Managers**	3	7	11
Total staff	6,479	2,521	8,982

*Definition of Directors: Statutory Directors

**Definition of Senior Manager: a person who: (a) has responsibility for planning, directing or controlling the activities of the Trust, or a strategically significant part of the Trust, and (b) is an employee of the Trust.

8.2 Staffing profile

The largest staff group at UHB are employed in Nursing, with the next highest groups of staff in Additional Clinical Services, Medical & Dental and Administrative & Clerical roles. The fewest number of staff are employed as Healthcare Scientists. The highest numbers of permanent staff are in Nursing, Administrative & Clerical, and Additional Clinical Services roles. Fixed-term working largely supports Medical & Dental and Administrative & Clerical roles, whilst bank working is underpinning workforce needs mostly in Nursing, Additional Clinical Services and Medical & Dental.

The Trust's workforce numbers, as at 29 February 2016, are:

Staff Group	Permanent	Fixed Term Temp	Bank*
Add Prof Scientific and Technical	282	24	86
Additional Clinical Services	1,425	87	1,146
Administrative and Clerical	1,459	282	197
Allied Health Professionals	461	19	0
Estates and Ancillary	819	9	365
Healthcare Scientists	366	14	3
Medical and Dental	580	613	1,193
Nursing and Midwifery Registered	2,500	81	1,215
Totals	7,892	1,129	4,205
		9,021	

*Please note that the Bank numbers include all individuals available to deliver work through UHB's Bank who have been active within the past six months, which may include those who also have a substantive contract with the Trust.

8.3.1 Average number of staff employed

	Year ended 31 March 2016			Year ended 31 March 2015		
	Total	Permanently Employed	Other	Total	Permanently Employed	Other
Medical and dental	1,101	1,065	36	1,112	1,059	53
Administration and estates	1,622	1,622		1,646	1,646	
Healthcare assistants and other support staff	567	567		617	617	
Nursing, midwifery and health visiting staff	3,291	3,291		3,214	3,214	
Scientific, therapeutic and technical staff	568	568		554	554	
Healthcare science staff	586	586		603	603	
Bank and agency staff	317		317	256		256
Total	8,052	7,699	353	8,002	7,693	309

8.3.2 Exit packages

Termination benefit by band	Compulsory redundancies		Other agreed departures		Total termination packages	
	Number	Cost £'000	Number	Cost £'000	Number	Cost £'000
Year ended 31 March 2016						
<£10,000	1	6			1	6
£10,000–£25,000	4	58			4	58
£25,000–£50,000	5	159			5	159
£50,000–£100,000	2	139			2	139
	12	362			12	362
Year ended 31 March 2015						
<£10,000						
£10,000–£25,000						
£25,000–£50,000	3	99			3	99
£50,000–£100,000	1	71			1	71
	4	170			4	170

The termination benefits disclosed all relate to compulsory redundancies. Of the disclosed termination payments none (2014/15 – none) were non-contractual payments requiring HMT approval.

There were no termination benefits paid or due in the reporting year to key management personnel, who are defined to be the Board of Directors of the Trust (2014/15 – £nil).

8.4 NHS Staff Survey

8.4.1 Commentary

UHB remains committed to engaging its workforce and recognises the contribution staff make to the care of its patients. It strives to find ways to work with staff to improve their working lives, and feedback is crucial to understanding their needs and views. The Trust works in partnership with its trade unions to engage with staff; the strength of this partnership is reflective of the value demonstrated by the Trust in its responsiveness to this feedback. The Trust works in partnership with the trade unions in responding to the staff survey results. There is a Trust Partnership Team which offers a platform for trade union interface with senior management including Executive Directors, and serves as a barometer for the climate of staff feelings in general terms and on specific subject areas.

The staff survey is an annual event, but there are also many other mechanisms in place throughout the year by which the Trust actively seeks the views and opinions of staff. These include hosting targeted focus groups, direct e-surveying on specific questions and Divisional Consultative meetings.

The Trust's engagement with staff is more than simply listening to their views. UHB is committed to keeping staff up-to-date with news and developments through an internal communications programme:

- Team Brief – staff receive the Chief Executive's core brief every two months
- news@QEHB – the Trust's monthly staff magazine is available throughout the Trust
- intranet@QEHB – the intranet is constantly updated and improved
- In the Loop – staff receive weekly email updates on Trust news and developments
- There is a programme of corporate and local induction and orientation for new starters to improve long-term retention of staff
- There are monthly staff meetings with the Chief Executive and Executive Directors which are open to all staff, with encouragement to attend by management. These meetings allow staff to be updated on key projects and/or matters of interest around the Trust. Staff are able to ask any questions that they may have

8.4.2 Summary of Performance

Each year UHB's results are compared against other similar acute NHS trusts. The results therefore show a comparison of the national average rate achieved across UK acute trusts with the results achieved by UHB, as well

as a comparison of the 2015 response rate against the previous year's outcomes.

The 2015 results demonstrate significant strengths for the Trust, with our performance particularly strong benchmarked against other acute trusts and when compared with the Trust's own performance in previous years. It is especially heartening to see that staff satisfaction with the quality of work and patient care they are able to deliver and in feeling that their role makes a difference to patients/service users is amongst the best 20% of acute trusts.

Of the 32 areas surveyed in 2015, the Trust had 14 findings in the highest 20% of acute trusts, 9 above the national average, 7 average findings, 2 findings below the national average, and no findings in the bottom 20%. This is our strongest performance to date. Our findings see us outperform all other trusts in the Shelford Group. Our performance is also strongest against our nearest neighbouring trusts within the West Midlands.

8.4.3 NHS Staff Survey Response Rate 2015 compared with 2014

2014		2015		Difference
UHB	Nat Avg	UHB	Nat Avg	
56%	43%	50%	38%	There was a 6% reduction in our response rate; however, this reduction was reflective of the 5% reduction across all trusts and our response rate still falls within the top 20% for acute trusts

The staff survey results are presented in the form of key findings. This year there were 32 key findings in comparison to 29 in 2014.

Areas of improvement from 2015 survey

Performance remained strong across 18 key findings, with significant improvement on 2014 results secured in two areas:

	2014	2015	Difference
KF11. Percentage of staff appraised in the last 12 months	84%	89%	5% increase
KF29. Percentage of staff reporting errors, near misses or incidents witnessed in the last 12 months	83%	92%	9% increase

Areas of deterioration from 2015 survey

	2014	2015	Difference
KF18. Percentage of staff feeling pressure in the last 3 months to attend work when feeling unwell	46%	60%	14% increase
KF31. Staff confidence and security in reporting unsafe clinical practice	3.86 on a 1-5 scale	3.69 on a 1-5 scale	0.17 scale score decline

2015 Top 5 Ranking Scores

	2014		2015		Difference
	UHB	Nat Avg	UHB	Nat Avg	
KF2. Staff satisfaction with the quality of work and patient care they are able to deliver	N/A	N/A	4.16 on a 1-5 scale	3.93 on a 1-5 scale	This key finding was previously scored as a percentage, and so no differential can be assessed
KF14. Staff satisfaction with resourcing and support	N/A	N/A	3.52 on a 1-5 scale	3.30 on a 1-5 scale	This is a new key finding, and so no previous data exists
KF3. Percentage of staff agreeing that their role makes a difference to patients/service	90%	91%	93%	90%	3% increase, and bucks the national trend where there was a 1% decline in the average score
KF1. Staff recommendation of the organisation as a place to work or receive treatment	3.95 on a 1-5 scale	3.60 on a 1-5 scale	4.02 on a 1-5 scale	3.76 on a 1-5 scale	0.07 scale increase, and 0.2 higher than national results
KF17. Percentage of staff suffering work related stress in last 12 months	35%	37%	29%	36%	6% decrease, and 7% better than national average

2015 Bottom 5 Ranking Scores

	2014		2015		Difference
	UHB	Nat Avg	UHB	Nat Avg	
KF20. Percentage of staff experiencing discrimination at work in last 12 months	12%	11%	11%	11%	1% decrease on previous year, and in line with national average
KF24. Percentage of staff/colleagues reporting most recent experience of violence	46%	N/A	51%	53%	5% increase on previous year, but 2% below national average. The national average data is unknown from the previous year
KF26. Percentage of staff experiencing harassment, bullying or abuse from staff in last 12 months	22%	23%	25%	26%	3% increase on previous year, which is reflective of the level of increase nationally
KF18. Percentage of staff feeling pressure in the last 3 months to attend work when feeling unwell	46%	N/A	60%	59%	14% increase on previous year, and 1% higher than national average. The national average data is unknown from the previous year
KF19. Organisation and management interest in and action on health and wellbeing	N/A	N/A	3.56 on a 1-5 scale	3.57 on a 1-5 scale	This is a new key finding, and so no previous data exists

8.4.4 Areas of concern and action plans

The priorities are as follows:

- Target areas/staff groups where response rates have been lower
- Divisional Action Plans to target their specific problem areas

- Staff group action plans to be developed to target specific issues

We will be introducing new rigour to the action planning process by monitoring implementation and progress at least quarterly through the year at Trust meetings of the Chief Operating Officer's Group.

We will also undertake detailed analysis to better understand the responses from particular groups of staff so that we can respond in a way that best addresses the concerns. Focus groups will be held and action plans formulated or revised in response to the feedback received.

8.4.5 Future priorities and targets

This year the Trust-wide action plan will focus on building on our strengths to maintain our strong performance, as well as targeting improvements in the following areas:

- Development of a wellbeing strategy including a communications plan to raise awareness amongst staff and managers of the current and planned approach
- Reduction in staff experiencing discrimination
- Reduction in staff experiencing harassment, bullying or abuse from staff

8.5 Sickness absence

In 2015/16, the Trust recorded an annual average sickness absence, across all clinical and corporate divisions, of approximately 4%, a 0.2% increase on the previous year. Trust management continues to work in partnership with Staffside to reduce this to 3.6%.

Long term sickness continues to be the main cause of absence from work, and continues to be consistent at between 2.15%–2.4% each month.

Total days lost 69,354

Total staff (on ESR) 7,868

For the year to date the top 5 reasons for both long term and short term absence are:

Long Term Sickness Reasons	Short Term Sickness Reasons
S10 Anxiety/stress/depression/other psychiatric illnesses	S13 Cold, Cough, Flu – Influenza
S12 Other musculoskeletal problems	S25 Gastrointestinal problems
S28 Injury, fracture	S12 Other musculoskeletal problems
S25 Gastrointestinal problems	S16 Headache / migraine
S30 Pregnancy related disorders	S30 Pregnancy related disorders

Staff groups with absence consistently above average include Health Care Assistants and focus groups are planned to assist in addressing the causes. A deep

dive of stress and anxiety data is being progressed in order to develop an action plan to target those groups/ departments/personal characteristics most likely to suffer episodes.

New sickness cases being referred into the First Contact Team within Human Resources is averaging 83 a month over the current year. Dismissals on the grounds of ill-health are averaging 3 a month in the year to date.

Regular ‘confirm and challenge’ meetings are in place in Divisions A, C and D in which the top 5 long term cases (by number of days) and short term sickness cases (by number of episodes) are reviewed and progressed as appropriate. This has helped to resolve some complex long term cases.

An annual programme of sickness absence management training is provided by members of the operations team and this is currently under review in order to ensure that the training is more interactive and meaningful through the use of case studies.

In addition to the annual programme of training, bespoke sickness absence management training on request is also provided; recent groups receiving the training include facilities team leaders, and arrangements to deliver training to Division D ward managers and deputies are in hand. Bespoke training packages will continue to be provided for teams and departments where sickness absence is problematic.

UHB is proactive in promoting positive health and wellbeing amongst its staff. Staff can access over 20 topic areas for advice and guidance, including bereavement, exercise and weight loss, via the staff portal, me@qehb. It also importantly enables staff to refer themselves to the staff access physiotherapy service. Staff can access on-site mindfulness sessions and quiet rooms. A holistic plan for staff wellbeing is in progress, which includes the provision of a Green Gym within the green spaces around UHB, as well as designated walking routes around the site, yoga and Pilates classes, staff networks for potentially marginalised groups, and arts and culture events. UHB is forging links with external organisations to maximise the opportunities for our staff.

8.6 Reporting high paid off-payroll arrangements

As part of the *Review of Tax Arrangements of Public Sector Appointees* published by the Chief Secretary to the Treasury on 23 May 2012, departments and their arm’s length bodies, including Foundation Trusts, must publish information in relation to the number of off-payroll engagements – for more than £220 a day for 6 and last longer than six months.

No. of existing engagements as of 31 March 2016	6
Of which...	
No. that have existed for less than one year at time of reporting.	1
No. that have existed for between one and two years at time of reporting.	2
No. that have existed for between two and three years at time of reporting.	1
No. that have existed for between three and four years at time of reporting.	
No. that have existed for four or more years at time of reporting.	2

Assurance has been sort from all individuals who are defined as 'off payroll engagements' that they have satisfied their taxation commitments to HMRC.

No. of new engagements, or those that reached six months in duration, between 1 April 2014 and 31 March 2015	1
No. of the above which include contractual clauses giving the trust the right to request assurance in relation to income tax and National Insurance obligations	
No. for whom assurance has been requested	1
Of which...	
No. for whom assurance has been received	1
No. for whom assurance has not been received	
No. that have been terminated as a result of assurance not being received.	

No off-payroll engagements are with board members of the Trust.

8.7 Expenditure on consultancy

The expenditure on consultancy is £1,048,000 for the year. See note 7 in the accounts.

8.8 Health and Safety

Incidents reported last year (April 2015 – March 2016) include: 715 Violence and aggression incidents; 294 Inoculation injuries; 138 Slips, trips and falls and; 89 Musculoskeletal.

Violence and aggression incidents in 2015/16 include 69 intentional assaults as validated to NHS Protect standards. This is a reduction from 72 in year 2014-15. There were 250 verbal aggression incidents. The national average for intentional assaults on staff as ratified by NHS Protect within the Acute sector is 20 assaults per 1000 staff employed. The figure for UHB is 6 assaults per 1000 staff employed, which is below half the national average. The Trust has worked hard to increase the compliance rate for staff attending conflict resolution training and

attendance of frontline staff has increased from 35% three years ago to 90% currently.

The Trust has introduced safer cannulae, safer devices for collecting blood samples and safety blood collection systems. The Trust is currently rolling out safer hypodermic needles and converting to blunt needles where appropriate and the Health, Safety And Environment Committee introduced a new group, the Sharps Action Group, to oversee the introduction of safety products throughout the Trust. Monitoring of inoculation incidents is performed by Directors of Operations, Senior Nursing staff and the Health and Safety Team who report to committee via quarterly divisional health and safety reports which include: details of inoculation incidents; action taken to prevent recurrence and; reports sent to the Health And Safety Executive (HSE). A programme of unannounced inspections was introduced in relation to inoculation incidents and 26 inspections of clinical areas were made.

The Manual Handling and Ergonomics service has continued to provide a range of supportive services to promote better musculoskeletal health in staff. This has included continued provision of mandatory training for all staff groups; workplace assessments and interventions; awareness weeks and equipment upgrade and review. Specialised review and advice for management of patients continues to be an active aspect of the service.

Flu vaccination continues to be made available to all frontline staff as close to their place of work as possible to reduce any disruption to services. Due to the ineffectiveness of the previous year's vaccine a slight decrease in flu vaccine uptake was recorded. This appears to be a trend across most trusts.

8.9 Countering fraud and corruption

The Trust has a duty, under the Health and Safety at Work Act 1974 and the Human Rights Act 2000, to provide a safe and secure environment for staff, patients and visitors.

As part of this responsibility, regular reviews into security around the Trust are conducted along with pro-active crime reduction initiatives to reduce the opportunities for crime to occur. Examples are a virtually stolen scheme, where stickers are placed on items left lying around which could be stolen, also included within this programme is a virtual intruder operation when a person not known to staff wearing casual clothes will try to obtain access to secure areas, this is encouraging staff to be more challenging to visitors, also a targeted check of all cycles and the security locks to ensure that quality locks are in use, any that are found to be of poor quality are offered quality locks at subsidised rates from the Trust. These are overseen by the NHS accredited Local Security Management Specialist, a post that is required under Secretary of State directions. The Trust encourages a pro-security culture amongst its staff. The Trust actively

investigates all reported criminal incidents and has a close working relationship with local police officers.

The Trust policy is to apply best practice regarding fraud and corruption and the Trust fully complies with the requirements made under the Secretary of State directions. The local counter-fraud service is provided by Deloitte LLP, who have undertaken a diverse range of counter fraud work during the year. Key anti-fraud controls were monitored through continuous control testing and industry leading developments related to cyber security were addressed. A workforce that is alert to the risk of fraud continues to be our greatest defence against fraudsters and awareness of this risk has continued to gain pace through a combination of face to face presentations, site visits, newsletters and intranet updates designed to reach the maximum numbers and types of our staff.

9 Regulatory Ratings

9.1 Explanation of the foundation trust's risk ratings

Monitor is the regulator and licensor of foundation trusts and has a duty to ensure that foundation trusts are effective, efficient and economic and maintain or improve the quality of their services. Since 1 April 2013 all foundation trusts are required to have a licence from Monitor to operate. Under Monitor's Risk Assessment Framework (RAF) it publishes two risk ratings for each NHS foundation trust: the Financial Sustainability Risk Rating (FSRR), and the Governance Risk Rating.

There have been no significant changes in the Trust's regulatory regime during 2015/16. Following the launch of NHS Improvement in April 2016 the Trust awaits the implementation of its single oversight framework that will replace Monitor's Risk Assessment Framework with the aim of proving its ongoing success in all the key areas it will cover (finance and use of resources, quality, operational performance, strategic change and leadership and improvement capability) to allow it to earn the autonomy its track record of delivery in these areas deserves.

9.2 Monitor Risk Ratings in 2014/15

	2014/15				
	Annual Plan	Q1	Q2	Q3	Q4
Financial Sustainability Risk Rating	2*	2*	2*	2*	2*
Governance Rating	Green	Green	Green	Under Review	Under Review

In its Operational Plan for 2014/15 the Trust declared a risk to the achievement of the Cancer 62 day GP referral target and the Referral to Treatment Time (RTT) 18 week

target for admitted patients due to the significant growth the Trust had seen in referrals which was leading to capacity problems and making delivery of these targets difficult. In addition ongoing risks to the 62 day cancer target, particularly resulting from late tertiary referrals from other providers, were highlighted.

In Quarter 1 2014/15 the Trust achieved all targets with the exception of cancer 62 day GP referral, cancer 31 day first treatment and RTT admitted. The Trust therefore retained its 'Green' governance rating.

In Quarter 2 2014/15 the Trust did not achieve the following targets: cancer 62 day GP referral, cancer 31 day first treatment, cancer 31 day subsequent surgery, cancer 2 week (all cancer), RTT to treatment time for admitted patients, total time in A&E. Monitor requested additional information from the Trust to gain assurance that the Trust was addressing these areas of performance. This information was supplied, including forecasts of when the Trust expected to sustainably achieve the RTT and cancer targets, which provided Monitor with the additional assurance it required and the Trust maintained its 'Green' governance rating.

In Quarter 3 2014/15 the Trust did not achieve the following targets: cancer 62 day GP referral, cancer 62 day referral from screening, cancer 31 day first treatment, cancer 31 day subsequent surgery and RTT admitted. Monitor decided to place the Trust's governance rating 'under review' following multiple breaches of the cancer targets and requested additional information from the Trust to allow it to determine whether or not to commence a formal investigation into the Trust's governance. This additional information has been supplied. The Trust responded to Monitor with its detailed action plan and trajectories for each target showing that they would all be achieved from Quarter 2 2015/16.

In Quarter 4 2014/15, the Trust did not achieve the same targets as Quarter 3 with the addition of cancer 31 day subsequent anti-cancer drug treatments and Total Time in A&E target. Monitor, having completed its review and being assured by the Trust's actions returned the Trust's governance rating to 'Green'

9.3 Monitor Risk Ratings in 2015/16

	2015/16				
	Annual Plan	Q1	Q2	Q3	Q4
Financial Sustainability Risk Rating	1	1	1	2	2
Governance Rating	Under Review	Under Review	Under Review	Under Review	Under Review

In its Annual Plan for 2015/16 the Trust declared a risk to the achievement of four of the national cancer targets

included in Monitor's Risk Assessment Framework over Quarter 1: 62 day GP referral, 62 day screening referral, 31 day first treatment and 31 day subsequent surgery. As detailed above, the Trust's existing action plan and trajectory indicated that all these targets would be achieved from Quarter 2 onwards.

In Quarter 1 2015/16 the Trust achieved all targets with the exception of the four listed above, in line with its plan. The Trust received a governance rating of 'Under review' "...following a deterioration in the trust's financial position..." due to the Trust's Continuity of Service Risk Rating of 1 following the submission of the Trust's financial plan for the year which, due to changes in the tariff, was a planned deficit. Following the rejection of the national pricing proposals for 2015/16 the Trust was placed on a default tariff rollover which, although better than the rejected proposals, would have required the Trust to have achieved efficiencies of 7–8% to break even. The Trust considered this level of efficiency to be a risk to patient care and therefore set a lower efficiency requirement of 3.8% (deemed by independent experts to be the maximum that could safely be delivered) thus necessitating a deficit plan. The Trust's governance rating has remained "Under review" throughout the year for this reason overriding any other rating the Trust would have achieved through performance against the targets and indicators included in Monitor's Risk Assessment Framework.

From Quarter 2 onwards the Trust delivered all the cancer targets with the exception of 62 day GP. Although this had originally been planned to be achieved, the Trust has seen a further increase in referrals from other providers late in the pathway (including patients referred after the target treatment date) which negatively affect the Trust's performance despite it being impossible for the Trust to treat them in time. A system for the reallocation of the breaches of certain late referrals is to be introduced during 2016/17 however the particular approach adopted is unlikely to significantly improve the Trust's performance and imposes a new implied target of tertiary patients being treated within 24 days of referral rather than the existing 31 days. It is however reassuring that, from Q2 onwards, the Trust has continued to deliver all the cancer targets that are within its control with the target for patients to be treated within 31 days of a decision to treat being consistently met.

During Quarter 2 the Trust started to see very significant growth in emergency admissions through the Emergency Department that significantly affected flow out of the Department as there was not always an inpatient bed available for the patient to be transferred to. Consequently performance against the Total Time in A&E target was affected. This growth accelerated during Quarters 3 and 4 alongside significant growth in the total number of patients attending which significantly affected performance against the target.

The Trust has a joint action plan in place with Birmingham CrossCity CCG to address the issues of increased attendances, review pathways for mental health patients who sometimes have extended periods in the department before transfer to a more appropriate setting, and flow across all sectors.

9.4 Details and actions from any formal interventions

There have been no formal interventions from Monitor over the year although the Trust's governance rating remains "Under Review" due to the deterioration in the Trust's financial performance following to the changes in the tariff system for 2015/16.



This annual report covers the period
1 April 2015 to 31 March 2016

Section 2 **Remuneration Report** **2015/2016**



Section 2 | Remuneration Report

1 Annual Statement on Remuneration

The year ended 31st March 2016 was yet another challenging year for the Trust. In addition to focussing on delivering high-quality healthcare to patients in the face of increasing demand, both in terms of numbers and complexity, as well as limited resources, the Trust has continued to provide support to challenged NHS Trusts and Foundation Trusts, and develop its commercial and international activities, in order to support the provision of NHS healthcare. In particular, the Trust has supported a regulatory intervention at a neighbouring Foundation Trust, Heart of England NHS Foundation Trust ("HEFT"). This intervention included the appointment of the Trust's Chief Executive, Dame Julie Moore, as interim Chief Executive of HEFT and the appointment of the Trust's Chair, the Rt Hon Jacqui Smith, as interim Chair of HEFT. Other Senior Managers and staff of the Trust have been engaged to support the intervention. However, neither the Chief Executive nor any other Senior Managers have received any additional remuneration in connection with this intervention, [although the Committee has recognised that this should be kept under review].¹

The Committee remains focused on ensuring that the Trust has a strong, effective and motivated Board and Executive Team, whilst recognising that remuneration must reflect the public service ethos and be aligned with that of the staff of the Trust. In particular, we continue to focus on ensuring that the Executive Team has the capacity and capability to deal with the increasingly challenging issues of meeting greater demand for healthcare with limited resources, whilst supporting other NHS trusts and contributing to the health service in general.

Accordingly, the Committee recognises that, in order to ensure optimum performance, it is necessary to have a competitive pay and benefits structure. The objective of the Trust's policy for remuneration of Senior Managers² is to attract and retain suitably skilled and qualified individuals of high calibre, providing sufficient resources, strength and maintaining stability throughout the senior management team. Remuneration for such officers will be set and maintained at levels that remain competitive but affordable. The Committee considers

that this is particularly so at present, when the demand for competent and effective senior leaders in the NHS is high, but the pool of suitable candidates is diminishing.

Remuneration levels of Senior Managers of the Trust will also reflect that the posts undertaken by some of the Executive Directors and Senior Managers at the Trust differ from those elsewhere in NHS organisations in combining several roles or in undertaking work not undertaken in other Trusts.

During the reporting year, the Committee reviewed the remuneration policy and the responsibilities and remuneration of the Senior Managers of the Trust (not including the Non-Executive Directors). The policy itself was considered appropriate and no changes were made to the remuneration of Senior Managers.

Each Director has annual objectives which are agreed by the Chief Executive. Reviews on performance are quarterly. The Chair agrees the objectives of the CEO and associated performance measures. The Trust does not use performance-related pay mechanisms.

Non-Executive Directors' fees are reviewed regularly with advice taken from independent consultants where appropriate. There have been no changes to Non-Executive Directors' fees during the reporting period.

Overall, the Committee considers the remuneration policy and its application to be balanced and fair, fulfilling the aims of ensuring that the Trust retains the services of its Senior Managers, all of whom will have received tempting offers from other organisations, and is able to recruit when necessary.



May 23 2016
The Rt Hon Jacqui Smith
Chair of the Executive Appointments & Remuneration Committee

¹ The Chair is remunerated separately by HEFT for her work as Chair of that Trust.

² i.e. those persons in senior positions having authority or responsibility for directing or controlling the major activities of the NHS foundation trust'. The Chief Executive has confirmed that, in addition to the Chair, the Executive and Non-Executive Directors, this covers the Director of Partnerships, the Director of Communications and the Director of Corporate Affairs.

2 Senior Managers' Remuneration Policy

The key goal of remuneration policy remains to recruit and retain competent and effective Senior Managers. This requires that the pay and benefits structure is competitive within the sector. The table below provides detail on each element of directors' remuneration packages for 2016/17:

2.1 Future policy table – Senior Managers (other than Non-Executive Directors)

Purpose and link to strategy	Operation (and changes if appropriate)	Maximum that could be paid in respect of that component																								
Salary																										
Retains and motivates, takes account of complexity and scale of director's duties, and cognisance of market levels in the appropriate sector	Salary levels are set with reference to responsibilities and the need to retain and recruit. With regard to the latter, a comparison against similar roles in an appropriate comparator group is used (the comparator group comprises Shelford Group trusts and local trusts).	<table> <tr> <td>Senior Manager</td> <td>£000</td> </tr> <tr> <td>Julie Moore</td> <td>250</td> </tr> <tr> <td>Mike Sexton</td> <td>150</td> </tr> <tr> <td>Dave Rosser</td> <td>186</td> </tr> <tr> <td>Tim Jones</td> <td>150</td> </tr> <tr> <td>Kevin Bolger</td> <td>150</td> </tr> <tr> <td>Philip Norman</td> <td>150</td> </tr> <tr> <td>Cherry West</td> <td>150</td> </tr> <tr> <td>Andrew McKirgan</td> <td>125</td> </tr> <tr> <td>Fiona Alexander</td> <td>125</td> </tr> <tr> <td>David Burbridge</td> <td>125</td> </tr> <tr> <td>Rachel Cashman</td> <td>125</td> </tr> </table>	Senior Manager	£000	Julie Moore	250	Mike Sexton	150	Dave Rosser	186	Tim Jones	150	Kevin Bolger	150	Philip Norman	150	Cherry West	150	Andrew McKirgan	125	Fiona Alexander	125	David Burbridge	125	Rachel Cashman	125
Senior Manager	£000																									
Julie Moore	250																									
Mike Sexton	150																									
Dave Rosser	186																									
Tim Jones	150																									
Kevin Bolger	150																									
Philip Norman	150																									
Cherry West	150																									
Andrew McKirgan	125																									
Fiona Alexander	125																									
David Burbridge	125																									
Rachel Cashman	125																									
Pension																										
Provides post-retirement remuneration and ensures that the total package is competitive.	<p>Senior managers are eligible to become members of the NHS Pension Scheme. The benefits provided to Senior Managers through the NHS Pension Schemes are the same as for all other Trust employees.</p> <p>Where Senior Managers cease to accrue pensionable service in an NHS Pension Scheme due to reaching the lifetime allowance, they are entitled to a cash supplement equal to 10.5% of base salary.</p> <p>This policy remains unchanged from 2013/14.</p>	<p>Dame Julie Moore withdrew from pensionable service on 31.03.2013 and Mike Sexton withdrew on 31.08.2014. No pensionable service in any NHS Pension Scheme has been accrued by these directors since these dates. They receive a cash supplement of 10.5% of base salary in lieu of pension accrual.</p>																								

2.2 Future policy table – Senior Managers (Non-Executive Directors)

The table below provides detail on each element of non-executive directors' (including the Chair) remuneration for 2016/17:

Purpose and link to strategy	Operation (and changes if appropriate)	Maximum that could be paid in respect of that component				
Non-Executive Director fees						
Attracts, retains and motivates non-executive directors with the required knowledge, experience and ability	Non-executive directors are paid a fee each year. Some non-executive directors with additional responsibilities may receive an additional fee, although none do at present.	<table> <tr> <td>Chair</td> <td>52,520</td> </tr> <tr> <td>Non-Executive Director</td> <td>13,837</td> </tr> </table> <p>Fees will be reviewed during the year ending 31st March 2017. Any increases will take into account salary increases awarded to the wider workforce.</p>	Chair	52,520	Non-Executive Director	13,837
Chair	52,520					
Non-Executive Director	13,837					

Notes

There are no benefits in kind, performance related pay, nor severance payments (2014/15 – £nil) paid to any executive or non-executive.

There are no payments to any past senior managers that relate to the function of the Board of Directors (2014/15 – £nil).

The Trust's governors and directors incur non-taxable expenses in association with activities that they undertake that support the objectives of the Trust. Information about expenses is set out below.

No new components of the remuneration package have been introduced.

Changes made to existing components of the remuneration package are set out above.

The Trust's general policy on remuneration is closely aligned to the Agenda for Change, NHS doctors' pay scales and national pay negotiations. The Trust does not operate any performance pay schemes or provide benefits in kind for any of its employees. Inflationary pay increases, if any, for Senior Managers will generally reflect the increases provided to other employees as a result of national negotiations. Thus the only differences between the Trust's policy on Senior Managers' remuneration and its general policy on employees' remuneration is that Senior Managers do not receive any form of automatic incremental increases such as are included within Agenda for Change.

As shown in the table on page 66, a number of the Trust's Senior Managers are paid more than £142,500. The Trust has, through the Executive Appointments and Remuneration Committee, satisfied itself that this remuneration is reasonable for the reasons set out in the annual statement on remuneration above and taking into account that competition for suitably qualified and able individuals to serve as Senior Managers will come not only from within the NHS sector, but from other organisations, both public and private sector and in the UK and abroad.

2.3 Service contracts obligations

There are no obligations on the Trust contained or proposed to be contained in any Senior Managers' service contracts which could give rise to, or impact on, remuneration payments or payments for loss of office but which are not disclosed elsewhere in this remuneration report.

2.4 Policy on payment for loss of office

Senior Managers (other than Non-Executive Directors) are on substantive contracts with a notice period of six

months. Non-Executive Directors are engaged on fixed term contracts of three years. The Contracts do not stipulate that there is any entitlement to compensation for loss of office.

There were neither termination payments nor compensation for loss of office made to Senior Managers during 2015/16.

2.5 Statement of consideration of employment conditions elsewhere in the foundation trust

When determining Executive Directors' and Senior Managers' pay and conditions, the Committee has had regard to the pay and conditions of other staff on Agenda for Change and professional pay scales.

The Trust has not consulted with employees when preparing the senior managers' remuneration policy, but, if material changes are to be considered in future, will do so.

When reviewing Executive Team remuneration comparative data was obtained from Shelford Group trusts and other local trusts. These were used to set remuneration levels which would enable the Trust to recruit and retain key staff, whilst not being excessive. (Salary levels remain below average for Shelford Group trusts).

3 Pensions

All the Executive Directors are members of the NHS Pensions Scheme, with the exception of Dame Julie Moore and Mike Sexton. Under this scheme, members are entitled to a pension based on their service and final pensionable salary subject to HM Revenue and Customs' limits. The scheme also provides life assurance cover of twice the annual salary. The normal pension age for directors is 60. None of the Non-Executive Directors are members of the schemes. Details of the benefits for Executive Directors are given in the tables provided on pages 68 and 69.

4 Annual Report on Remuneration

4.1 Service Contracts

With the exception of Rachel Cashman, Project Director, Senior Managers (other than Non-Executive Directors) are on substantive contracts with a notice period of six months. Rachel Cashman is on a fixed term contract.

Name of Senior Manager	Date of Service Contract	Unexpired term	Details of Notice Period
Dame Julie Moore	04/03/2002	N/A	Six months
Mike Sexton	26/10/2006	N/A	Six months
Dave Rosser	01/12/2006	N/A	Six months
Tim Jones	13/06/2007	N/A	Six months
Kevin Bolger	15/06/2009	N/A	Six months
Philip Norman	28/10/2013	N/A	Six months
Cherry West	01/09/2014	N/A	Six months
Fiona Alexander	01/02/2006	N/A	Six months
David Burbridge	07/05/2007	N/A	Six months
Andrew McKirgan	01/09/2014	N/A	Six months
Rachel Cashman	05/01/2016	Three months	N/A

4.2 Executive Appointments and Remuneration Committee

The Executive Appointments and Remuneration Committee is a sub-committee of the Board of Directors responsible for reviewing and advising the Board of Directors on the composition of the Board of Directors and appointing and setting the remuneration of Executive Directors. Its terms of reference, role and delegated authority have all been agreed by the full Board of Directors. The committee meets on an 'as-required' basis.

The Executive Appointments and Remuneration Committee's terms of reference empower it to constitute a sub-committee to act as a Nominations Committee to undertake the recruitment and selection process, including the preparation of a description of the role and capabilities required and appropriate remuneration packages, for the appointment of the Executive Director posts on the Board of Directors.

The Executive Appointments and Remuneration Committee comprises the Chair, all other Non-Executive Directors and, for appointments of Executive Directors other than the Chief Executive, the Chief Executive. The Chair of the Committee is the Chair of the Trust.

The Executive Appointments and Remuneration Committee met on two occasions during the year. Attendance was as follows:

Directors	No. of meetings attended
Rt Hon Jacqui Smith	All
Dame Julie Moore	1
Prof Michael Sheppard	All
Angela Maxwell	All
David Hamlett	All
David Waller	1
Jane Garvey	1
Harry Reilly	All
Catriona McMahon	All
Jason Wouhra	None

The Committee has not received advice or services from any person that materially assisted the Committee in their consideration of any matter relating to remuneration during the reporting period.

4.3 Council of Governors' Remuneration and Nominations Committee for Non-Executive Directors

Non-Executive Directors' remuneration consists of fees which are set by the Council of Governors. The Council of Governors established a committee, the Council of Governors' Remuneration Committee for Non-Executive Directors, amalgamated on 22 December 2011 with the Council of Governors' Nominations Committee for Non-Executive Directors to form the Council of Governors' Remuneration and Nominations Committee for Non-Executive Directors. The role of the Committee is, among other things, to advise the Council of Governors as to the levels of remuneration for the Non-Executive Directors. (The Chair does not attend when the committee considers matters relating to her own remuneration.)

Details of membership and attendance of the Governors' Remuneration and Nominations Committee for Non-Executive Directors are set out on page 45.

There have been no changes to Non-Executive Directors' fees during the reporting period.

4.4 Disclosures required by Health and Social Care Act

Information on the Trust's policy on pay and on the work of the Executive Appointments and Remuneration Committee are set out above at Sections 2 and 4.2 respectively.

Information on the remuneration of the directors is set out at Sections 2 and 5.

Expenses

In addition, the Trust's governors and directors incur non-taxable expenses in association with activities that they undertake that support the objectives of the Trust, a summary of which is set out in the table below:

	Year Ended 31 March 2016		
	Number in office	Number receiving expenses	Total £00
Directors	20	3	666
Governors	23	9	65

	Year Ended 31 March 2015		
	Number in office	Number receiving expenses	Total £00
Directors	19	4	146
Governors	23	6	20

4.5 Reporting high paid off-payroll arrangements

As part of the *Review of Tax Arrangements of Public Sector Appointees* published by the Chief Secretary to the Treasury on 23 May 2012, departments and their arm's length bodies, including Foundation Trusts, must publish information in relation to the number of off-payroll engagements – for more than £220 a day for 6 and last longer than six months.

No. of existing engagements as of 31 March 2016	6
Of which...	
No. that have existed for less than one year at time of reporting.	1
No. that have existed for between one and two years at time of reporting.	2
No. that have existed for between two and three years at time of reporting.	1
No. that have existed for between three and four years at time of reporting.	—
No. that have existed for four or more years at time of reporting.	2

Assurance has been sought from all individuals who are defined as 'off payroll engagements' that they have satisfied their taxation commitments to HMRC.

No. of new engagements, or those that reached six months in duration, between 1 April 2015 and 31 March 2016	1
No. of the above which include contractual clauses giving the trust the right to request assurance in relation to income tax and National Insurance obligations	—
No. for whom assurance has been requested	1
Of which...	
No. for whom assurance has been received	1
No. for whom assurance has not been received	—
No. that have been terminated as a result of assurance not being received.	—

No off-payroll engagements are with board members of the Trust.

4.6 Salary and Pension Entitlements of Senior Managers

The following is subject to audit: senior manager remuneration table, senior manager pension benefit table and the ratio of the highest paid director compared to the staff pay median. The remainder of the remuneration report is not subject to audit.

A. Remuneration

Salary entitlements of senior managers 2015/2016

NAME AND TITLE	Year ended 31 March 2016					
	Salary	Expense payments (taxable)	Performance pay and bonuses	Long term performance pay and bonuses	All pension-related benefits	Total
	(bands of £5000)	Total to nearest £100	(bands of £5000)	(bands of £5000)	(bands of £2500)	(bands of £5000)
	£000	£00	£000	£000	£000	£000
SENIOR MANAGERS						
Julie Moore Chief Executive	250–255					250–255
Philip Norman Executive Chief Nurse	145–150				135–137.5	285–290
Dr David Rosser Executive Medical Director	225–230				142.5–145	370–375
Tim Jones Executive Director of Delivery	145–150				67.5–70	215–220
Mike Sexton Executive Chief Financial Officer	165–170					165–170
Kevin Bolger Executive Director of Strategic Operations	145–150				57.5–60	205–210
Cherry West Executive Chief Operating Officer (Commenced office 1 Sep 2014)	145–150				125–127.5	275–280
Fiona Alexander Director of Communications	120–125				67.5–70	190–195
David Burbidge Director of Corporate Affairs	125–130				92.5–95	215–220
Andrew McKirgan Director of Partnerships	120–125					120–125
Rachel Cashman Project Director (Commenced office 5 Jan 2016)	25–30				37.5–40	65–70
NON EXECUTIVE DIRECTORS						
Jacqui Smith – Chair	50–55					50–55
David Hamlett	10–15					10–15
Angela Maxwell	10–15					10–15
David Waller	10–15					10–15
Prof Michael Sheppard	10–15					10–15
Jane Garvey	10–15					10–15
Harry Reilly	10–15					10–15
Jason Wouhra	10–15					10–15
Dr Catriona McMahon	10–15					10–15

Salary entitlements of senior managers 2014/15

NAME AND TITLE	Year ended 31 March 2015					
	Salary	Expense payments (taxable)	Performance pay and bonuses	Long term performance pay and bonuses	All pension-related benefits	Total
	(bands of £5000)	Total to nearest £100	(bands of £5000)	(bands of £5000)	(bands of £2500)	(bands of £5000)
	£000	£00	£000	£000	£000	£000
SENIOR MANAGERS						
Julie Moore Chief Executive	240–245					240–245
Philip Norman Executive Chief Nurse	135–140				242.5–245	380–385
Dr David Rosser Executive Medical Director	195–200				67.5–70	265–270
Tim Jones Executive Director of Delivery	140–145				50–52.5	195–200
Mike Sexton Executive Chief Financial Officer	150–155					150–155
Kevin Bolger Executive Director of Strategic Operations	140–145				52.5–55	195–200
Andrew McKirgan (Changed from acting Chief Operating Officer to Strategic Partnerships on 1 Sep 2014)	120–125				20–22.5	145–150
Cherry West Chief Operating Officer (Commenced office 1 Sep 2014)	95–100				130–132.5	225–230
Fiona Alexander Director of Communications	110–115				45–47.5	155–160
Morag Jackson New Hospitals Project Director (Left office 14 Oct 2014)	65–70					65–70
David Burbidge Director of Corporate Affairs	110–115				65–67.5	175–180
Viv Tsesmelis Director of Partnerships (Left office 1 Oct 2014)	45–50					45–50
NON EXECUTIVE DIRECTORS						
Jacqui Smith – Chair	50–55					50–55
Angela Maxwell	10–15					10–15
David Waller	10–15					10–15
Gurjeet Bains (Left office 30 Nov 2014)	5–10					5–10
Prof Michael Sheppard	10–15					10–15
Harry Reilly	10–15					10–15
Jane Garvey	10–15					10–15
David Hamlett	10–15					10–15
Dr Catriona McMahon (Commenced office 14 Oct 2014)	10–15					10–15
Jason Wouhra (Commenced office 1 Dec 2014)	0–5					0–5

The full cost of the directors' remuneration disclosed for 2015/16 is partially off-set by revenue from Heart of England NHS Foundation Trust, due to the management services provided by UHB as part of the interim support arrangements between the two trusts.

The other pension related benefits disclosed arise from membership of the NHS Pensions defined benefit scheme. They are not remuneration paid, but the increase in pension benefit net of inflation for the current year and applying the HMRC methodology multiplier of 20. Further details of the Board's pension benefits are disclosed in the Pension Benefits table below.

The Executive Medical Officer – Dr David Rosser receives remuneration in both his capacities of board director and medical consultant, the combined total is disclosed in the tables above. The banding disclosure of the latter clinical role equates to 80-85 (2014/15: 100-105).

Rachel Cashman commenced in the role of Projects Director on 5 January 2016.

The non-executive team is unchanged in year.

There are no benefits in kind, performance related pay, nor severance payments (2014/15 – £nil) paid to any

executive or non-executive. There are no payments to any past senior managers that relate to the function of the Board of Directors (2014/15 – £nil).

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.

	Year ended 31 March 2016	Year ended 31 March 2015
Band of Highest Paid Director's Total Remuneration (£ '000)	250–255	240–245
Median Total Remuneration	28,268	28,789
Ratio	8.8	8.4

Total remuneration includes salary, performance-related pay, benefits-in-kind as well as severance payments. It does not include employer pension contributions, the cash equivalent transfer value of pensions nor any other accrued pension benefits not yet taken.

B. Pension Benefits

NAME AND TITLE	Real increase in pension at age 60	Real increase in pension related lump sum at age 60	Total accrued pension at age 60 at 31 March 2016	Total accrued pension related lump sum at age 60 at 31 March 2016	Cash Equivalent Transfer Value at 31 March 2015	Cash Equivalent Transfer Value at 31 March 2016	Real Increase in Cash Equivalent Transfer Value	Employer's Contribution to Stakeholder Pension
	(bands of £2500)	(bands of £2500)	(bands of £5000)	(bands of £5000)				To nearest £100
	£000	£000	£000	£000	£000	£000	£000	£00
Tim Jones Executive Director of Delivery	2.5–5	0–2.5	45–50	130–135	764	823	44	N/A
Philip Norman Executive Chief Nurse	5–7.5	17.5–20	55–60	165–170	844	968	106	N/A
Kevin Bolger Executive Director Strategic Operations	2.5–5	7.5–10	60–65	190–195	1,279	1,378	74	N/A
Dr David Rosser Executive Medical Director	5–7.5	17.5–20	70–75	210–215	1,144	1,287	121	N/A
David Burbridge Director of Corporate Affairs	2.5–5	10–12.5	25–30	80–85	436	527	82	N/A
Fiona Alexander Director of Communications	2.5–5	2.5–5	15–20	40–45	210	256	42	N/A
Cherry West Chief Operating Officer	5–7.5	15–17.5	50–55	155–160	905	1,041	118	N/A
Rachel Cashman Project Director	0–2.5	–	5–10	–	28	44	4	N/A
Andrew McKirgan Director of Partnerships	–	–	35–40	105–110	616	613	–	N/A

As Non-Executive members do not receive pensionable remuneration, there are no entries in respect of pensions for Non-Executive members. Details above are provided by the NHS Pensions Agency.



Dame Julie Moore, Chief Executive

Date: **23 May 2016**



This annual report covers the period
1 April 2015 to 31 March 2016

Section 3 **Quality Report** **2015/2016**



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Section 3 | Quality Report

Part 1: Chief Executive's Statement

University Hospitals Birmingham NHS Foundation Trust (UHB) has continued to focus on delivering high quality care and treatment to patients during 2015/16. In line with national trends, the Trust has again seen unprecedented demand for its services with large increases in Emergency Department attendances and admissions which has put significant pressure on our ability to deliver planned treatments. The Trust's Vision is "to deliver the best in care" to our patients. The Trust's Core Purposes – Clinical Quality, Patient Experience, Workforce and Research and Innovation – provide the framework for the Trust's robust approach to managing quality.

Staff have worked very hard to improve performance for two of the national cancer indicators – *31-day wait from diagnosis to first treatment: all cancers* and *31-day wait for second or subsequent treatment: surgery* – which have been achieved since July 2015. The Trust is continuing to do all it can to improve performance for the *62-day wait for first treatment from urgent GP referral: all cancers* and *Maximum waiting time of four hours in A&E from arrival to admission, transfer or discharge* indicators which are affected by late referrals from other trusts and ever increasing Accident and Emergency attendances respectively. It is very pleasing to see that patients and staff continue to recommend the Trust as a place to be treated in the 'Friends and Family' tests. The number of formal complaints reduced despite increases in activity and the number of compliments rose during 2015/16. The Trust also achieved its best ever performance in the 2015 Staff Survey.

The Trust has made excellent progress in relation to two of the five priorities for improvement set out in last year's Quality Report: reducing grade 2 pressure ulcers and improving patient experience and satisfaction. Performance for the remaining indicators – timely and complete observations, reducing medication errors and infection prevention and control – has been mixed with some key achievements and further work required to improve performance in 2016/17. The Board of Directors has chosen to continue with the five priorities for improvement in 2016/17 and has set ambitious improvement targets. The selection of local patient survey questions included in *Priority 2: Improve Patient Experience and Satisfaction* has been refreshed based on performance for 2015/16 by the Care Quality Group which has Governor representation.

UHB's focused approach to quality, based on driving out errors and making incremental but significant improvements, is driven by innovative and bespoke

information systems which allow us to capture and use real-time data in ways which few other UK trusts are able to do. A wide range of omissions in care have been reviewed in detail during 2015/16 at the regular Executive Care Omissions Root Cause Analysis (RCA) meetings chaired by the Chief Executive. Cases are selected for review from a range of sources including an increasing number put forward by senior medical and nursing staff: wards selected for review, missed or delayed medication, Serious Incidents (SIs), serious complaints, infection incidents, incomplete observations and cross-divisional issues.

The national *Sign up to Safety* campaign was launched in 2014 and aims to make the NHS the safest healthcare system in the world. The ambition is to halve avoidable harm in the NHS over the next three years. Organisations across the NHS have been invited to join the *Sign up to Safety* campaign and make five key pledges to improve safety and reduce avoidable harm. University Hospitals Birmingham NHS Foundation Trust joined the *Sign up to Safety* campaign in November 2014. As part of the campaign, UHB has made five *Sign up to Safety* pledges which closely align with the content of the Quality Report and are included in section 3.7 of the report. UHB has developed an action plan and quarterly review process for monitoring progress over the next three years which will be published on the Trust's website.

Data quality and the timeliness of data are fundamental aspects of UHB's management of quality. Data is provided to clinical and managerial teams as close to real-time as possible through various means such as the Trust's digital Clinical Dashboard. Information is subject to regular review and challenge at specialty, divisional and Trust levels by the Clinical Quality Monitoring Group, Care Quality Group and Board of Directors for example. An essential part of improving quality at UHB continues to be the scrutiny and challenge provided through proper engagement with staff and other stakeholders. These include the Trust's Council of Governors, General Practitioners (GPs) and local Clinical Commissioning Groups (CCGs).

A key part of UHB's commitment to quality is being open and honest with our staff, patients and the public, with published information not simply limited to good performance. The Quality web pages provide up to date information on the Trust's performance in relation to quality: www.uhb.nhs.uk/quality.htm. The Trust has continued to publish monthly data during 2015/16 showing how each inpatient specialty is performing for a range of indicators on the dedicated *mystay@QEHB*

website: infection rates, medication given, observations, clinical assessments and patient feedback.

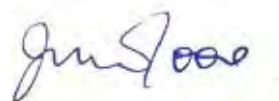
The Trust's internal and external auditors provide an additional level of scrutiny over key parts of the Quality Report. The Trust's external auditor Deloitte has reviewed the content of the Trust's 2015/16 Quality Report and undertaken testing for three areas in line with the Monitor guidance on external assurance: *18-week maximum wait from point of referral to treatment (incomplete pathways)*, *Maximum waiting time of four hours in A&E from arrival to admission, transfer or discharge* and one local indicator. The Trust's Council of Governors selected one of the quality improvement priorities – *Priority 1: Reducing grade 2 hospital-acquired pressure ulcers* – as the local indicator to be audited. The Trust has been given a clean limited assurance opinion for the content of the Quality Report and the two nationally mandated indicators with a number of recommendations for improvement which will be implemented during 2016/17. There were no recommendations made for the local indicator. The report provided by the Trust's external auditor is included in Annex 3 of the Quality Report.

The Trust was last inspected in January 2015 by the Care Quality Commission (CQC) as part of the new, national inspection regime. The Trust was rated as Good overall with 85% of areas being rated as Good or Outstanding and 15% rated as Requires Improvement. Following a focussed inspection of the Trust's Cardiac Surgical Services undertaken in December 2015, the Care Quality Commission (CQC) placed additional conditions on the Trust's registration under Section 31 of the Health and Social Care Act 2008. These are explained in more detail in section 2.2.5 of the report. The Trust was required to submit specific outcome and performance information to the CQC on a weekly basis and to commission an external review of Cardiac Surgical Services. The Trust had already commenced a Cardiac Surgery Quality Improvement Programme (CSQIP) in advance of the CQC identifying concerns. The external review of the service was completed, and the CQC removed the conditions in May 2016. The Trust will continue to submit quarterly data to the CQC. A number of the actions identified by the external review were already incorporated in the CSQIP and any additional actions are being brought within its scope. The CQC has acknowledged that the data submitted to date shows an improvement in outcomes and the Trust's internal Cardiac Surgery Quality Improvement Programme continues.

The Five Year Forward View report was published in October 2014 and set out the changes and investment required to deliver an improved, more sustainable NHS and implement new models of care. The Trust became the prime provider for the new, fully integrated sexual health treatment and prevention programme called Umbrella from August 2015 which involves commissioning and providing services for the people of Birmingham and Solihull through two central sites, satellite clinics and community clinics. 2016/17 will be

another very challenging year for UHB as we focus on delivering the best in care and achieving outcome/access targets alongside ever increasing demand for our services coupled with tighter financial constraints. The Trust will continue working with regulators, commissioners, healthcare providers and other organisations to influence future models of care delivery and deliver further improvements to quality during 2016/17.

On the basis of the processes the Trust has in place for the production of the Quality Report, I can confirm that to the best of my knowledge the information contained within this report is accurate.



Dame Julie Moore, Chief Executive
May 23, 2016

Section 3 | Quality Report

Part 2: Priorities for improvement and statements of assurance from the Board of Directors

2.1 Priorities for Improvement

The Trust's 2014/15 Quality Report set out five priorities for improvement during 2015/16:

- **Priority 1:** Reduce grade 2 pressure ulcers
- **Priority 2:** Improve patient experience and satisfaction
- **Priority 3:** Timely and complete observations including pain assessment
- **Priority 4:** Reduce medication errors (missed doses)
- **Priority 5:** Infection prevention and control

The Trust has made excellent progress in relation to two quality improvement priorities: reducing grade 2 pressure ulcers and improving patient experience and satisfaction. There has however been mixed performance for timely and complete observations, reducing medication errors and infection prevention and control during 2015/16.

Performance for both indicators within Priority 3 did not meet the agreed end-of year targets, although performance was higher than in 2014/15. The Trust has maintained performance for missed doses, but did not achieve the proposed reduction for missed non-antibiotics in 2015/16. The Trust missed the trajectory for zero Trust-apportioned MRSA bacteraemias but met the *C. difficile* infection trajectory during 2015/16.

The Board of Directors has chosen to continue with the five priorities for improvement in 2016/17.

1	Reduce grade 2 pressure ulcers	New trajectory for 2016/17 agreed with CCG
2	Improve patient experience and satisfaction	New patient survey questions added, others removed due to achieving the 2015/16 target
3	Timely and complete observations including pain assessment	Targets for 2016/17 updated in line with 2015/16 performance
4	Reduce medication errors (missed doses)	Targets and methodology kept the same for 2016/17
5	Infection prevention and control	Trajectories for 2016/17 agreed with CCG – same as 2015/16

The improvement priorities for 2016/17 were confirmed by the Trust's Clinical Quality Monitoring Group chaired by the Executive Medical Director, following consideration of performance in relation to patient safety, patient experience and effectiveness of care. These were then discussed with various Trust groups including staff, patient and public representatives during Quarter 4 2015/16 as shown in the table below. The priorities for improvement in 2016/17 were also shared and discussed with interested parties outside the Trust including the Trust's lead Clinical Commissioning Group (CCG), Birmingham CrossCity CCG.

The focus of the patient experience priority was decided by the Care Quality Group and the priorities for improvement in 2016/17 were then finally approved by the Board of Directors in March 2016. The priorities for 2016/17 will finally be presented to the Trust Partnership Team and cascaded to all staff via Team Brief in May 2016.

Date	Group	Key Members
February 2016	Council of Governors	Chairman, Chief Executive, Executive Directors, Directors and Staff, Patient and Public Governors
March 2016	Chief Operating Officer's Group	Executive Chief Operating Officer, Deputy Chief Operating Officer, Directors of Operations, Divisional Directors, Director of Operational Finance, Deputy Chief Nurse, Director of Patient Services, Director of Estates and Facilities, Director of IT Services plus other Managers
March 2016	Care Quality Group	Executive Chief Nurse, Associate Directors of Nursing, Matrons, Senior Managers with responsibility for Patient Experience, and Patient Governors
April 2016	UHB Contract Review Meeting	Various managers and clinical staff from Birmingham and CrossCity Clinical Commissioning Group and UHB
April 2016	Trust Partnership Team	Executive Directors, Directors, Human Resources Managers, Divisional Directors of Operations, Staff Side Representatives
May 2016	Chief Executive's Team Brief (cascaded to all Trust staff)	Chief Executive, Executive Directors, Directors, Clinical Service Leads, Heads of Department, Associate Directors of Nursing, Matrons, Managers

The performance for 2015/16 and the rationale for any changes to the priorities are provided in detail below. It might be useful to read this report alongside the Trust's Quality Report for 2014/15.

Priority 1

Reduce grade 2 hospital-acquired pressure ulcers

Background

This quality improvement priority was proposed by the Council of Governors and approved by the Board of Directors for 2015/16.

Pressure ulcers are caused when an area of skin and the tissues below are damaged as a result of being placed under pressure sufficient to impair its blood supply (NICE, 2014).

They are also known as “bedsores” or “pressure sores” and they tend to affect people with health conditions that make it difficult to move, especially those confined to lying in a bed or sitting for prolonged periods of time. Some pressure ulcers also develop due to pressure from a device, such as a urinary catheter.

Pressure ulcers are painful, may lead to chronic wound development and can have a significant impact on a patient’s recovery from ill health and their quality of life. They are graded from 1 to 4 depending on their severity, with grade 4 being the most severe:

Grade	Description
1	Skin is intact but appears discoloured. The area may be painful, firm, soft, warmer or cooler than adjacent tissue.
2	Partial loss of the dermis (deeper skin layer) resulting in a shallow ulcer with a pink wound bed, though it may also resemble a blister.
3	Skin loss occurs throughout the entire thickness of the skin, although the underlying muscle and bone are not exposed or damaged. The ulcer appears as a cavity-like wound; the depth can vary depending on where it is located on the body.
4	The skin is severely damaged, and the underlying muscles, tendon or bone may also be visible and damaged. People with grade 4 pressure ulcers have a high risk of developing a life-threatening infection.

(National Pressure Ulcer Advisory Panel, 2014)

At UHB, pressure ulcers are split into two groups: those caused by medical devices and those that are not.

UHB has seen a continued decrease in the number of hospital-acquired pressure ulcers during 2015/16.

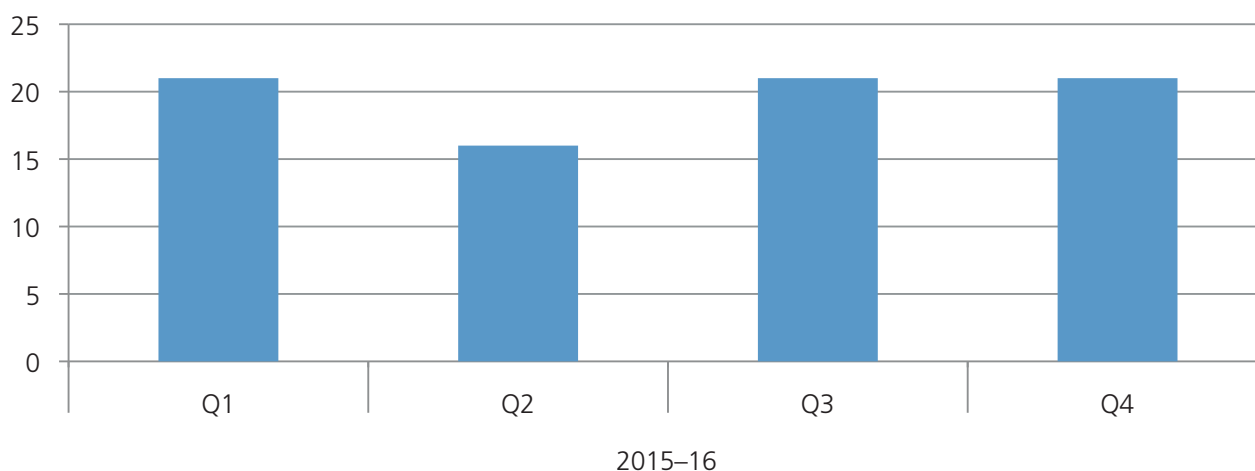
As there are now fewer hospital-acquired grade 3 and grade 4 ulcers at UHB, the Trust has chosen to focus on reducing grade 2 ulcers. This in turn should reduce the number of grade 3 and grade 4 ulcers, as grade 2 ulcers will be less likely to progress.

Performance

The 2015/16 reduction target agreed with Birmingham CrossCity Clinical Commissioning Group (CCG) was 132 patients with non device-related, hospital-acquired avoidable grade 2 pressure ulcers.

For the period April 2015 to March 2016, UHB reported 79 patients with non device-related, hospital-acquired avoidable grade 2 pressure ulcers, against the agreed reduction target of 132. This compares to 144 reported in 2014/15.

Number of patients with grade 2 hospital-acquired, non device-related avoidable pressure ulcers, by Quarter



Initiatives implemented in 2015/16

- Relunched the 'React to RED' strategy through various forums including a link nurse study day and Practice Development. When a staff member identifies a potential pressure ulcer, they think "RED": Reposition, Equipment, Documentation.
- Updated the Back to the Floor audit to become the Tissue Viability Quality Audit; this involves each clinical area completing an audit form to assess five patients' pressure ulcer care and is fed back at the Preventing Harms meetings.
- Introduced a Skin Champions study day for nursing assistants with a keen interest in tissue viability.
- Held a Tissue Viability Conference to celebrate positive changes in pressure ulcer reduction in the Trust.
- Closer divisional working with Preventing Harms meetings regularly held; this provides a forum to discuss and address specific issues around pressure ulcers and any areas for concern.
- Improved documentation across Critical Care and held specific meetings for link nurses in these areas.
- Targeted education on the introduction of the new pressure ulcer grading system and updated the electronic resource for mandatory training on pressure ulcers.
- Carried out a Trust-wide chair audit, and a replacement programme of pressure reducing patient armchairs.
- Tissue Viability were invited to be part of the preceptorship programme and the pressure ulcer competencies have been incorporated in to the preceptorship book.
- Continued to provide a formal education programme which includes monthly pressure ulcer study days.
- Task and Finish groups looking at specific device related pressure ulcers i.e. anti-embolism stockings, plaster casts, catheters and endotracheal tubes.
- Continued to provide education for specific staff groups i.e. doctors' induction, Emergency Department and CDU (Clinical Decision Unit) rolling programme and student nurses.
- The Tissue Viability Team was shortlisted for the HSI (Health Service Journal) award for patient safety and was interviewed by a panel.
- The Lead Tissue Viability Nurse wrote and published a blog on pressure ulcer prevention strategies for the Royal College of Nursing.

- The Tissue Viability Team continue to review all patients with grade 2 and above hospital acquired pressure ulcers, or community-acquired grade 3 or 4 pressure ulcers, as well as any reported areas of concerns or potential for safeguarding.
- Worked closely with the Shelford group of hospitals and linked with West Midlands Tissue Viability Nurses.

Changes to improvement priority for 2016/17

The 2016/17 reduction target has been agreed with Birmingham CrossCity Clinical Commissioning Group (CCG) – no more than 125 patients to have an avoidable, hospital-acquired, non device-related grade 2 pressure ulcer. This is a 5% decrease on the reduction target set for 2014/15.

Initiatives to be implemented during 2016/17

To continue to build on the improvements seen in 2015/16, to further identify any common causes or reasons behind hospital-acquired pressure ulcers and to target training and resources accordingly.

How progress will be monitored, measured and reported

- All grade 2, 3 and 4 pressure ulcers are reported via the Trust's incident reporting system Datix, and then reviewed by a Tissue Viability Specialist Nurse.
- Monthly reports are submitted to the Trust's Pressure Ulcer Action Group, which reports to the Chief Nurse's Care Quality Group.
- Data on pressure ulcers also forms part of the Clinical Risk report to the Clinical Quality Monitoring Group.
- Staff can monitor the number and severity of pressure ulcers on their ward via the Clinical Dashboard.

Priority 2

Improve patient experience and satisfaction

The Trust measures patient experience via feedback received in a variety of ways, including local and national patient surveys, the NHS Friends and Family Test, complaints and compliments and online sources (e.g. NHS Choices). This vital feedback is used to make improvements to our services. This priority focuses on improving scores in our local surveys.

Patient experience data from local surveys

During 2015/16, 22,572 patient responses were received to our local inpatient survey, 1,652 to the Emergency Department survey, 2,464 to the outpatient survey and 2,419 responses to our discharge survey.

The Trust's latest National Adult Inpatient Survey results are shown in Part 3 of this report.

Methodology

The local inpatient survey is undertaken, predominantly, utilising our bedside TV system, allowing patients to participate in surveys at their leisure. Areas that do not have the bedside TVs use either paper or tablets for local surveys. The Emergency Department survey is a paper-based survey, and the outpatient and discharge surveys are postal – both sent to a sample of 500 patients per month. Results of the postal surveys are given up to February 2016 as that is the latest data available at the time of compiling this report.

Improvement target for 2016/17

For 2016/17 we have reviewed 2015/16 performance for the questions set for this priority. Where these have achieved or maintained their target during the year they have been replaced with new questions. New questions have been chosen based on feedback we receive from patients about what really matters to them. Some of the new questions are already included on our surveys so have a baseline for 2015/16, some are new so will have a baseline set in quarter one. Where we have not quite achieved the targets set in 2015/16, these questions continue to be included in this priority for 2016/17.

- **Questions carried forward** – targets have been carried forward from 2015/16.
- **New questions with a 2015/16 baseline:**
 - Questions scoring 9 or above in 2015/16 are to maintain a score of 9 or above.
 - Questions scoring below 9 in 2015/16 are to increase performance by at least 5%, and/or achieve a score of 9.
- **New questions with no 2015/16 baseline** are to have a baseline set in Q1 2016/17. The above criteria will then apply.

This improvement priority was agreed at the Trust's Care Quality Group meeting in March 2016, which is a Chief Nurse-led sub-committee of the board, attended by clinical staff and also patient Governors to provide the patients' perspective.

The table below shows the results for 2015/16 and the status for each question. Below this are the new questions added for 2016/17.

Results from local patient surveys

	2014/15 Score	2015/16 Target	2015/16 Score	Status	2016/17 Target	2015/16 No. responses
Inpatient survey						
1. Did you find someone on the hospital staff to talk about your worries or fears?	8.4	8.8	8.5	Carry forward	8.8	8,575
2. Do you think that the ward staff do all they can to help you rest and sleep at night?	8.8	9	8.9	Carry forward	9	11,074
3. Have you been bothered by noise at night from hospital staff?	8.1	8.5	8.3	Carry forward	8.5	11,125
4. Sometimes in hospital a member of staff says one thing and another says something quite different. Has this happened to you?	8.6	9	8.8	Carry forward	9	22,226
5. Did the staff treating and examining you introduce themselves?	8.9	9	9.1	Achieved	Removed	22,195
Outpatient survey						
6. Was your appointment changed to a later date by the hospital?	9	9	9.2	Achieved	Removed	2,411
7. Did the staff treating and examining you introduce themselves?	8.5	8.9	8.8	Carry forward	8.9	2,368
8. Did a member of staff tell you about medication side effects to watch out for?	6.7	7	7.3	Achieved	Removed	831
Emergency Department survey						
9. Were you involved as much as you wanted to be in decisions about your care and treatment?	7.9	8.3	8.9	Achieved	Removed	1,605
10. Do you think the hospital staff did everything they could to help control your pain?	7.8	8.2	9.0	Achieved	Removed	1,472
11. Did the staff treating and examining you introduce themselves?	8.1	8.5	8.9	Achieved	Removed	1,515
Discharge survey						
12. Did a member of staff tell you about medication side effects to watch for when you went home?	5.8	6.1	5.7	Carry forward	6.1	1,738
13. Did you feel you were involved in decisions about going home from hospital?	7.0	7.4	7.2	Carry forward	7.4	2,193

New questions to be added for 2016/17

	2015/16 Score	Status	2016/17 Target
Inpatient survey			
During your time in hospital did you feel well looked after by hospital staff?	NA	NEW for 2016/17	To be set
Outpatient survey			
If you had important questions to ask, did you get answers that you could understand?	8.9	NEW for 2016/17	9
How would you rate the courtesy of the Outpatient reception staff?	8.9	NEW for 2016/17	9
Emergency Department survey			
During your time in the Emergency Department did you feel well looked after by hospital staff?	NA	NEW for 2016/17	To be set
How would you rate the courtesy of the Emergency Department reception staff?	NA	NEW for 2016/17	To be set
Were you kept informed of what was happening at all stages during your visit?	NA	NEW for 2016/17	To be set

How progress will be monitored, measured and reported

- This priority is measured using the local survey results as detailed in the methodology.
- The operational Patient Experience Group (reporting to the Care Quality Group) monitors this priority.
- Exception reports to Associate Directors of Nursing (ADNs) highlight individual wards not meeting the quality priority so that action can be taken. The new reporting format requires the ADNs to provide feedback on actions taken to the Care Quality Group.
- This patient experience quality priority is reported on the Clinical Dashboard so is always available for staff to view; updated monthly.
- Quarterly patient experience reports will be provided to the Care Quality Group (summarised to the Board of Directors) and the local Clinical Commissioning Group – this includes a gap analysis on the patient experience quality priority.
- Feedback will be provided by members of the Patient and Carer Councils as part of the Adopt a Ward / Department visits and via Governor drop-in sessions.
- Progress will also be reported via the quarterly Quality Report update published on the Trust Quality web pages.

Patient Experience initiatives implemented in 2015/16

- Food provision has continued to be monitored and improvements made in response to patient experience feedback received:
 - Menus are consistently reviewed and changes made to the dishes offered.
 - A beverage trolley has been implemented in outpatient waiting areas.
 - Brightly coloured Rio crockery (designed for the elderly or disabled) has been introduced across ten wards to aid independent eating, with further rollout planned for 2016/17.
 - Following a successful pilot, toast is being reintroduced to ward breakfast, this has resulted directly from feedback received from patients.
 - Texture modification diet descriptions are now included on the back of menu cards to assist staff and patients in choosing the correct modification required.
- Free WiFi has been introduced in key areas across the Trust to support patients and visitors with communication and internet access while using our services.
- Signage has been consistently reviewed to ensure that navigating around the hospital is made as easy and clear as possible.
- The Discharge Lounge was relocated in a newly refurbished location and relaunched to increase use. Patients using the Lounge are cared for in a comfortable, holistic environment whilst the last few preparations are made for their discharge. The Lounge includes access to a Pharmacy Technician who can

ensure that medication information is shared with the patient and their carer in a quiet, calm environment with plenty of opportunity for questions to be answered.

- Outpatient Pharmacy introduced in the atrium of the hospital.
- Feedback received via the NHS Friends and Family Test has been used to identify areas for improvement across the organisation; it is now embedded so patients have the opportunity to answer the question at any point of their journey.
- Artwork has been installed in a number of areas around the Trust to enhance the environment and make it more pleasant for patients, visitors and staff.
- A new Discharge Hub was set up, bringing together health and social care professionals involved in complex discharges. Cohorting staff together has improved communication, streamlined the discharge planning process and greatly enhanced the experience for this group of patients.
- The Communication Skills Task and Finish Group completed its remit by publishing the Trust's Communication Behaviours and the associated CommunicatingWell@UHB electronic information and training resource. The group has now been reformed as a Communication Skills Oversight Group which will monitor patient experience feedback around communication and use it intelligently to inform training needs of staff groups.
- A new Patient Experience Dashboard was launched and has been very well received by staff. Easier access to patient experience feedback results has enhanced staff engagement, enabling them to take ownership of their data. It has helped them to use their feedback to drive improvements and celebrate good practice. Further training is being delivered to continue to embed use of the dashboard across the Trust and ensure all relevant staff use it as a tool to support their patient experience needs.
- Ward/departmental workshop-based teaching on Patient Experience has been successfully implemented with a variety of staff groups. This approach to training and engaging staff seems to be popular and effective so will be rolled out further in 2016/17.
- Governor drop in patient experience visits were introduced to Inpatient areas to compliment those already carried out in Outpatient areas. These visits enable Governors to interact directly with patients, visitors and staff. There has been a wealth of rich qualitative information obtained that has been fed back in real-time to ward staff and senior nursing representatives meaning any immediate issues can be actioned without delay.

The Friends and Family Test

Response rates and positive recommendation percentages have been closely monitored throughout 2015/16 against internal targets set and tracked against national and regional averages to benchmark how we are doing against our peers.

The Friends and Family Test (FFT) asks patients the following question:

"How likely are you to recommend our (ward/ emergency department/service) to friends and family if they needed similar care or treatment?"

Patients can choose from six different responses as follows:

- **Extremely likely**
- **Likely**
- **Neither likely or unlikely**
- **Unlikely**
- **Extremely Unlikely**
- **Don't know**

Methodology

Patients admitted as day cases, or staying overnight on an inpatient ward, were asked to complete the FFT on discharge from hospital; either on the bedside TVs, on paper or tablet. Those attending the emergency department were asked either on leaving (using a paper survey), or afterwards via an SMS text message. Outpatients are given the opportunity to answer the question whenever suits them best, either before they leave the department (paper or check in kiosk), or they can access the question online via the Trust website.

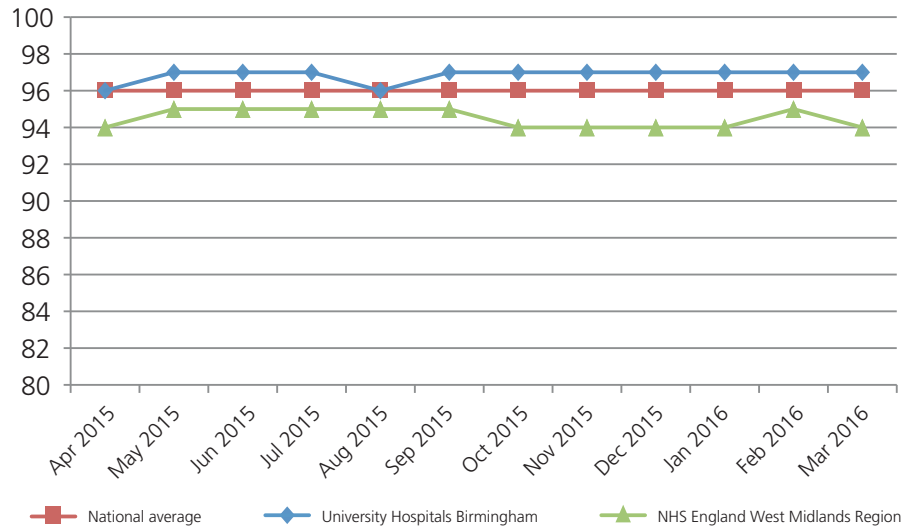
The Trust follows the national guidance for undertaking and scoring of the Friends and Family Test.

Performance

The charts opposite show benchmark comparisons for the positive recommendation percentages for the Friends and Family Test for Inpatients, A&E and Outpatients.

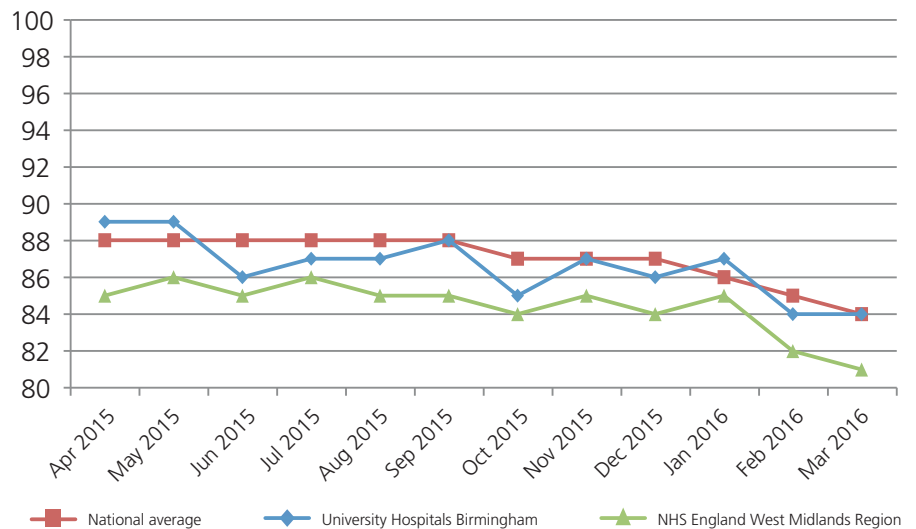
Inpatients

During 2015/16 the Trust has maintained a positive recommendation rate that is equal to or above the national average, and above the West Midlands rate.



A&E

During 2015/16 the Trust's positive recommendation rate has fluctuated but has remained around the national average and above the regional average. Trust, national and regional averages are seeing a downward trend in this score with current pressures in A&E departments.



Outpatients

During 2015/16 the Trust has largely maintained a positive recommendation rate that is significantly higher than both the national average, and the West Midlands regional average.



Complaints

The number of formal complaints received in 2015/16 was 629. A further 51 complaints were dealt with informally, such as via a telephone call to resolve an appointment issue, without the need for formal investigation. The total number of complaints (formal and informal) received in 2015/16 was 14% lower than 2014/15.

The main subjects of complaints received in 2015/16 related to clinical treatment (281), communication and information (86), matching the top two main subjects in

2014/15, whilst attitude of staff (65) replaced inpatient delays/cancellations as the third most prevalent subject of complaints.

While the number of inpatient complaints received in 2015/16 reduced, there was a slight increase in the level of outpatient complaints. Emergency Department complaint numbers remained stable despite increased activity. The rate of formal complaints received against activity across inpatients, outpatients and the Emergency Department has remained relatively stable.

	2013/14	2014/15	2015/16
Total number of formal complaints	664	654	629

Rate of formal complaints to activity		2013/14	2014/15	2015/16
Inpatients	FCEs*	132,280	127,204	129,574
	Complaints	379	371	325
	Rate per 1000 FCEs	2.9	2.9	2.5
Outpatients	Appointments**	729,695	752,965	788,996
	Complaints	200	201	222
	Rate per 1000 appointments	0.3	0.3	0.3
Emergency Department	Attendances	97,298	102,054	108,463
	Complaints	85	82	82
	Rate per 1000 attendances	0.9	0.8	0.8

* FCE = Finished Consultant Episode – which denotes the time spent by a patient under the continuous care of a consultant

** Outpatients activity data relates to fulfilled appointments only and also includes Therapies (Physiotherapy, Podiatry, Dietetics, Speech & Language Therapy and Occupational Therapy).

Learning from complaints

The table below provides some examples of how the Trust has responded to complaints where serious issues have been raised, a number of complaints have been

received about the same or similar issues or for the same location, or where an individual complaint has resulted in specific learning and/or actions.

Theme/Issue	Area of Concern	Action taken by Complaints	Outcome
Level of complaints around cancelled/delayed surgery	Number of complaints principally about this, especially during Quarter 1.	<p>Details of trend highlighted in the Patient Relations reports to the Chief Executive's Advisory Group and the relevant Divisional Clinical Quality Groups.</p> <p>Separate report for particular specialties sent to relevant senior divisional staff for review and action.</p>	<ul style="list-style-type: none"> Action plan developed and is being monitored by the Operational Delivery Group which is chaired by the Executive Chief Operating Officer. Improve the current escalation process to ensure where possible that all relevant patients are rescheduled within 48 hours of their procedure being cancelled and that the date of the rescheduled procedure is within 28 days.
Communication by medical staff with patients and their families	Level of complaints and PALS concerns	Details of trend and specific cases highlighted as part of reports provided to relevant senior Trust groups	<ul style="list-style-type: none"> Issue reviewed in detail at the Trust's multi-disciplinary Communication Skills Group, where the Trust's approach to supporting staff around communication is reviewed and developed. The Group has a management representative from Medical Education and a Consultant representative. Case studies from complaints have been discussed in detail at this group. One of the complaints was also discussed at an Executive Care Omissions Root Cause Analysis (RCA) meeting, where issues are critically reviewed by Board members and relevant senior staff. This case was also taken to the Patient Safety Group for review and presented to a meeting of Geriatricians. A set of standards for communication between specialties by medical staff is being developed by one of the senior clinicians involved in the above case.
Issues around discharge	Level of complaints and PALS concerns	Details of trend highlighted in the Patient Relations reports to the Chief Executive's Advisory Group and the relevant Divisional Clinical Quality Groups.	<ul style="list-style-type: none"> Discharge Steering Group meets monthly. Use of Discharge Lounge being audited and reviewed. 'Transfer of care referral' launched June 2015 for complex discharges. Criteria led discharge being rolled out across all divisions. 3pm 'board round' being trialled in Division C, with a multi-disciplinary presence to promote progress towards discharge. 50% of discharge medication is now provided via the Outpatient Pharmacy (45 minutes turnaround).

* FCE = Finished Consultant Episode – which denotes the time spent by a patient under the continuous care of a consultant

** Outpatients activity data relates to fulfilled appointments only and also includes Therapies (Physiotherapy, Podiatry, Dietetics, Speech & Language Therapy and Occupational Therapy).

The Trust takes a number of steps to review learning from complaints and to take action as necessary. Related actions and learning from individual complaints are shared with the complainant in the Trust's written response or at the local resolution meeting where appropriate. All actions from individual complaints are captured on the Complaints database. A regular report is sent to each division's senior management team with details of every complaint for their division with actions attached, highlighting any cases where any of the agreed actions remain outstanding.

Details of actions and learning from complaints are also shared in a wider Patient Relations report, which is presented at the divisional Clinical Quality Group meetings. This report provides detailed data on complaints, Patient Advice and Liaison Service (PALS) concerns and compliments, as well as highlighting trends around specific issues and/or wards, departments or specialties. Trends around staff attitude and communication for particular locations feed into customer care training sessions, which are delivered by the Head of Patient Relations to ward/department staff and include anonymised quotes from actual complaints about the specific ward/department.

Complaints and PALS data is also shared in a broader Aggregated Report which is presented to the Clinical Quality Committee, chaired by the Trust's Chair, on a quarterly basis and incorporates information on incidents and legal claims. Complaints and PALS data is reported monthly to the Care Quality Group as part of the Patient Experience report. A monthly Complaints report is presented at the Chief Executive's Advisory Group meeting. Significant complaints, especially those involving medical staff and cases upheld by the Parliamentary and Health Service Ombudsman are reviewed at the Trust's multi-disciplinary Patient Safety Group. A complaints actions learning sheet has recently been developed which will be produced quarterly to share actions from individual complaints across the Trust.

Serious Complaints

The Trust uses a risk matrix to assess the seriousness of every complaint on receipt. Those deemed most serious, which score either 4 or 5 for consequence on a 5 point scale, are highlighted separately across the Trust. The number of serious complaints is reported to the Chief Executive's Advisory Group and detailed analysis of the cases and the subsequent investigation and related actions are presented to the Divisional Management Teams at their Divisional Clinical Quality Group meetings. It is the Divisional Management Teams' responsibility to ensure that, following investigation of the complaint, appropriate actions are put in place to ensure that learning takes place and that every effort is made to prevent a recurrence of the situation or issue which triggered the complaint being considered serious.

Parliamentary and Health Service Ombudsman (PHSO): Independent review of complaints

PHSO Involvement	2013/14	2014/15	2015/16
Cases referred to PHSO by complainant for investigation	16	23	28
Cases which then required no further investigation	3	2	0
Cases which were then referred back to the Trust for further local resolution	1	1	0
Cases which were not upheld following review by the PHSO	2	5	6
Cases which were partially upheld following review by the PHSO	3	9	11
Cases which were fully upheld following review by the PHSO	0	0	2

The total number of cases referred to the Ombudsman for assessment, agreed for investigation and ultimately upheld or partially upheld remain relatively low in proportion to the overall level of complaints received by the Trust.

Thirteen cases were upheld or partially upheld by the Ombudsman in 2015/16, an increase on the nine partially upheld in the previous year. Discussion with complaints leads elsewhere suggests that this trend is mirrored at many Trusts across the country, including the larger acute Trusts which form the Shelford Group. In every case, appropriate apologies were provided, action plans were developed where requested and the learning from the cases was shared with relevant staff. Among the learning identified and shared was a case where the Ombudsman found that the clinical team had not given the family a realistic picture of their relative's condition. Consequently, an apology letter was provided to the complainant as requested, informing them that the case had been reviewed at the Trust's Communication Skills Group and Patient Safety Group to ensure learning was shared.

Compliments

Compliments are recorded by the Patient Advice and Liaison Service (PALS), and also by the Patient Experience Team. PALS record any compliments they receive directly from patients and carers. The Patient Experience Team collates and records compliments received via all other sources; this includes those sent to the Chief Executive's office, the patient experience team email address, the Trust website and those sent directly to wards and departments. Where compliments are included in complaints or customer care award nominations they are also extracted and logged as such.

The majority of compliments are received in writing – by letter, card, email, website contact or Trust feedback leaflet, the rest are received verbally via telephone or face to face. Positive feedback is shared with staff and patients to promote and celebrate good practice as well as to boost staff morale.

UHB consistently receives considerably more compliments than it does complaints. The Trust also recorded slightly

more compliments in 2015/16 than in 2014/15. The Patient Experience team provide support and guidance to divisional staff around the collation and recording of compliments received directly to wards and departments.

Compliment subcategories	2013/14	2014/15	2015/16
Nursing care	424	242	579
Friendliness of staff	191	142	84
Treatment received	1,202	1,743	1,290
Medical care	79	56	83
Other	9	17	24
Efficiency of service	187	104	268
Information provided	27	12	15
Facilities	12	12	6
Total	2,131	2,328	2,349

Month received	Compliment
April 2015	Incredibly professional, caring and compassionate staff. Thank you.
May 2015	Thank you all so much for all your help, you all give so much and the care I received on this and other occasions has been exceptional.
July 2015	I have to let you know that the care I received as a patient on that day was outstanding.
July 2015	Excellent experience, I was put at ease and everything explained, all very caring.
Sept 2015	All marvellous, the service is second to none and everywhere is pristine clean
November 2015	I have had extraordinary care... all staff have listened and made sure we understood what is happening... staff clearly love their work and care deeply about their patients.
November 2015	We wish to express our sincere thanks for the way we have both been treated for our respective illnesses. Professionalism of all staff has been outstanding... thanks to consultants and staff for their exemplary care.
November 2015	Attention and care I received from all personnel at QEHB has been beyond reproach. Thanks to consultants, surgeons, physiotherapists and support staff...It would be impossible to find any negative comment about my hospital experience.
December 2015	Your staff were very competent but more than that they showed great humanity and compassion... I greatly appreciate the care your staff took of me.
February 2016	I do hope my sincere thanks can be passed on to all staff to say "You make a difference!" Your care and compassion make a huge difference when families are faced with scary times.
March 2016	You are all amazing. This hospital, in my experience, is the very pinnacle of patient care and efficiency. In tough times you continue to impress me on every visit.
March 2016	I wish to express my thanks and appreciation to all the staff. I have absolute admiration for the skills and dedication along with the friendly reassurance of all the staff encountered during my stay.

Feedback received through NHS Choices and Patient Opinion websites

The Trust has a system in place to monitor feedback posted on two external websites; NHS Choices and Patient Opinion. Feedback is sent to the relevant service/department manager for information and action. A response is posted to each comment received which acknowledges the comment and provides general information when appropriate. The response also promotes the Patient Advice and Liaison Service (PALS) as a mechanism for obtaining a more personalised response, or to ensure a thorough investigation into any concerns raised. Whilst there has been a further increase in the number of comments posted on each of these two websites the numbers continue to be extremely low in comparison to other methods of feedback received. The majority of feedback received via this method is extremely positive, negative comments tend to be reflective of feedback received via more direct methods for example concerns raised via PALS, complaints or locally received verbal feedback.

Initiatives to be implemented in 2016/17

- Continued review and updating of the patient experience dashboard and reporting processes.
- Implement the use of patient stories as a feedback and training mechanism.
- Review of how patient experience data is monitored and used to drive improvements.
- Using a more focused project-based approach to tackle challenging aspects of the patient experience.
- Finalisation of the plans to implement an internal buggy system.
- Scope the potential implementation of therapeutic visits from trained and approved volunteers with pets.
- Increase number of guest beds to allow carers to stay overnight.
- Pilot a new ward booklet to give patients and visitors improved information.
- Additional wheelchairs for patient use.
- Implement updated survey system on bedside TVs to include free text comments.
- Review of complaints process to streamline and improve response time.
- Refresh the Friends and Family Test in outpatients to increase response rate.
- Implement new Learning from Complaints report to share learning Trust-wide.

Priority 3

Timely and complete observations including pain assessment

Background

All inpatient wards have been recording patient observations (temperature, blood pressure, oxygen saturation score, respiratory rate, pulse rate and level of consciousness) electronically since 2011. The observations are recorded within the Prescribing Information and Communication System (PICS).

When nursing staff carry out patient observations, it is important that they complete the full set of observations. This is because the electronic tool automatically triggers an early warning score called the SEWS (Standardised Early Warning System) score if a patient's condition starts to deteriorate. This allows patients to receive appropriate clinical treatment as soon as possible.

For 2015/16 the Board of Directors chose to tighten the timeframe for completeness of observation sets to within 6 hours of admission or transfer to a ward and to include a pain assessment.

In addition, the Trust is monitoring the timeliness of analgesia (pain relief medication) following a high pain score. Until December 2015, the pain scale used

at UHB went from 0 (no pain) to 3 (severe pain at rest). Whenever a patient scores 3, they should be given analgesia within 30 minutes. The indicator also includes patients who are given analgesia within the 60 minutes prior to a high pain score to allow time for the medication to work.

The new pain scale was introduced in December 2015 which runs from 0 to 10, instead of 0 to 3. A score of 7 or more is now classed as a high pain score.

Performance

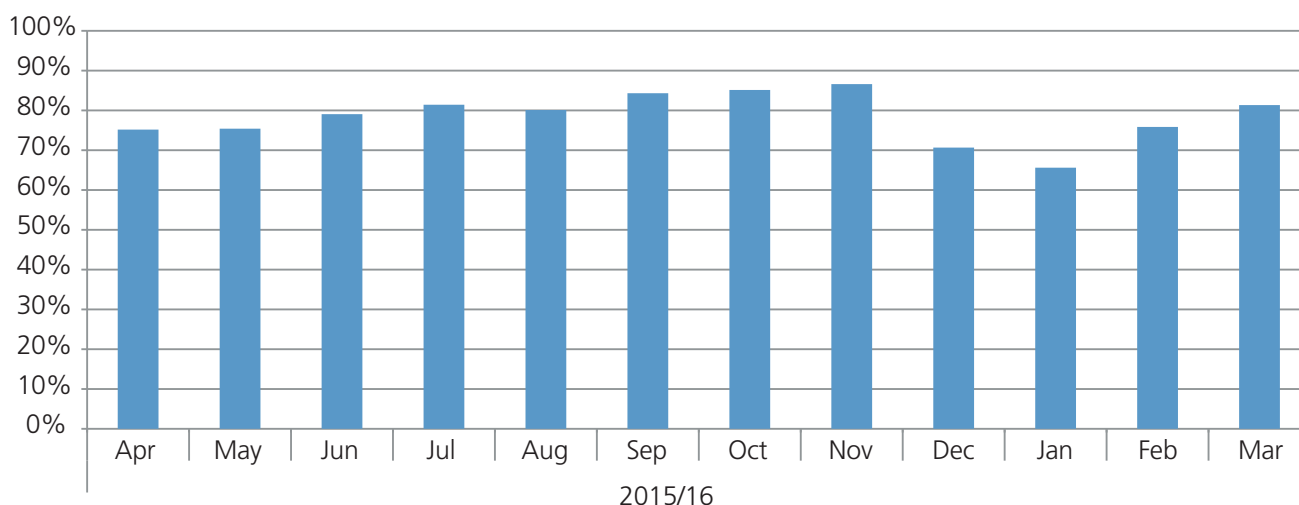
These were new indicators so challenging and ambitious improvement targets were set for the Trust to achieve by the end of 2015/16.

After the 2015/16 Quality Report, the methodology for the second indicator was reviewed in advance of the pain scale change. Baseline 2014/15 performance was higher than previously reported and the target was reviewed accordingly – the target was re-set to achieve 80% by the end of Quarter 4. This was signed off by the Executive Chief Nurse in January 2016.

Performance by month is displayed in the graphs and table below.

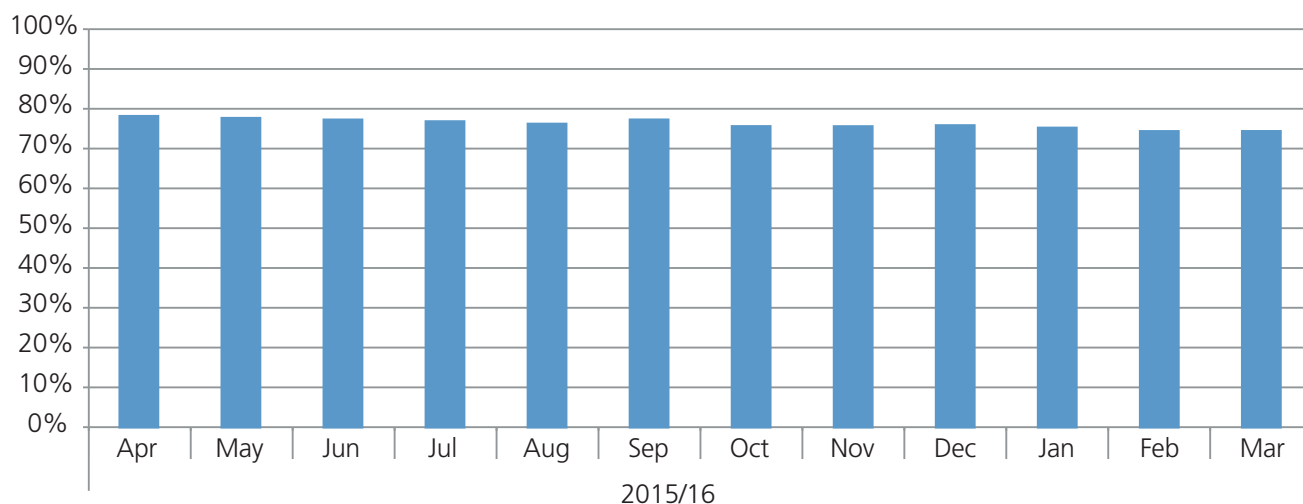
		2014/15	2015/16					Year
			Target	Q1	Q2	Q3	Q4	
1	Full set of observations plus pain assessment recorded within 6 hours of admission or transfer to a ward	71%	85%	75%	81%	81%	74%	79%
2	Analgesia administered within 30 minutes of a high pain score	64%	80%	78%	77%	76%	75%	76%

Indicator 1: Complete Observations and Pain Assessment within 6 hours



Performance increased until the new 0–10 pain scale was introduced in December 2015. Performance then started to increase again and reached 81% in March 2016.

Indicator 2: Timely Administration of Analgesia



Performance for this indicator remained stable throughout the year as the Trust focused on implementing the new pain scale and ensuring pain assessments are routinely carried out.

Initiatives implemented in 2015/16

- The pain assessment scale was changed to a 0-10 scale from the 0-3 scale to allow for more detailed assessment of patients' pain.
- A change was made to the electronic observation chart within the PICS to allow staff to more accurately record the reasons for incomplete observations. This allows us to understand the reasons for incomplete or delayed observations in more detail and to focus on those observations which should not have been missed.
- The Clinical Dashboard was reviewed and improved so that ward staff can see which of the six observations or pain assessment were missed and when, plus how their ward compares to Trust-wide performance.
- Staff can now see detailed data around timely analgesia including when the high pain score was recorded and when the analgesia doses were administered.

Changes to Improvement Priority for 2016/17

As the Trust was close to achieving the targets set for 2015/16, the Executive Medical Director and Executive Chief Nurse have chosen to increase the targets for 2016/17:

1. Full set of observations plus pain assessment recorded within 6 hours of admission or transfer to a ward: 90% by the end of the year.
2. Analgesia administered within 30 minutes of a high pain score: 85% by the end of the year.

Initiatives to be implemented in 2016/17

- To continue to pilot and implement the bespoke electronic observation chart for Critical Care within PICS.
- Wards performing below target for the two indicators will be reviewed at the Executive Care Omissions Root Cause Analysis (RCA) meetings to identify where improvements can be made. Observation and pain assessment compliance will be monitored as part of the unannounced Board of Directors' Governance Visits to wards which take place each month.

How progress will be monitored, measured and reported

- Progress will be monitored at ward, specialty and Trust levels through the Clinical Dashboard and other reporting tools.
- Performance will continue to be measured using PICS data from the electronic observation charts.
- Progress will be reported monthly to the Clinical Quality Monitoring Group and the Board of Directors in the performance report. Performance will continue to be publicly reported through the quarterly Quality Report updates on the Trust's website.

Priority 4

Reduce medication errors (missed doses)

Background

Since April 2009, the Trust has focused on reducing the percentage of drug doses prescribed but not recorded as administered (omitted, or missed) to patients on the Prescribing Information and Communication System (PICS).

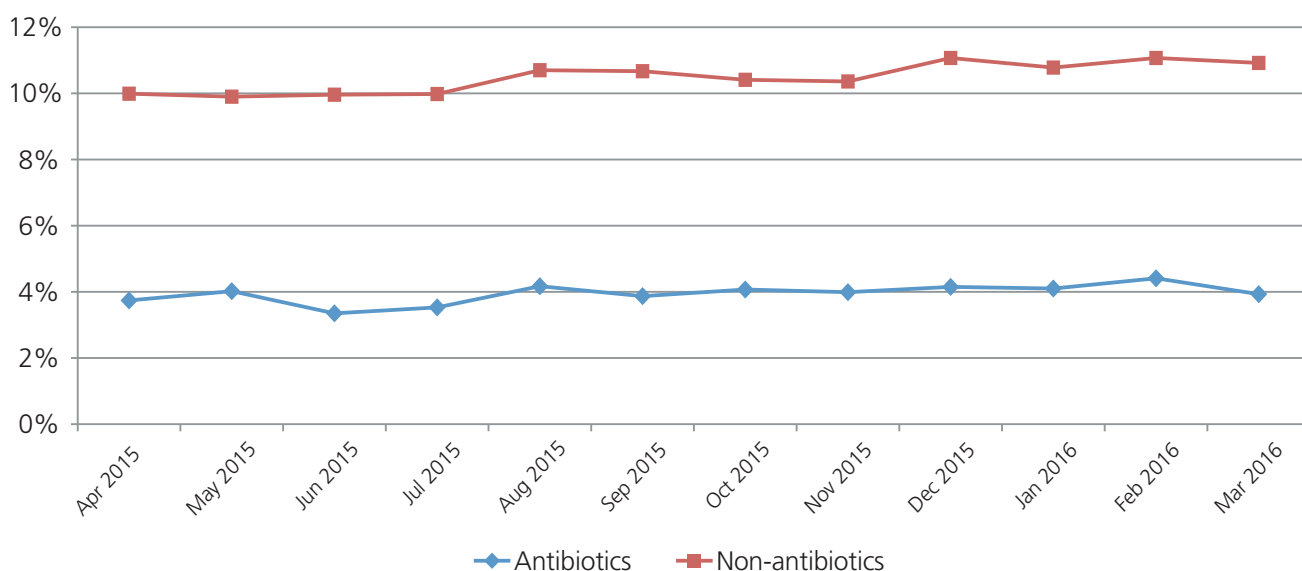
The most significant improvements occurred when the Trust began reporting missed doses data on the Clinical Dashboard in August 2009 and when the Executive Care Omissions Root Cause Analysis (RCA) meetings started at the end of March 2010.

The Trust has chosen to focus on maintaining performance for missed antibiotics and reducing non-antibiotic missed doses in the absence of a national consensus on what constitutes an expected level of drug omissions.

It is important to remember that some drug doses are appropriately missed due to the patient's condition at the time, and when a patient refuses a drug this is also recorded as a missed dose.

Performance

In the 2014/15 Quality Report, the Trust committed to maintaining performance for missed antibiotics at around 4.0% which has successfully been achieved with 2015/16 performance at 3.94%. The Trust was aiming to reduce the percentage of missed non-antibiotics by 10% in 2015/16, to 9.5%, however this has not been achieved. Performance was 10.5% for 2015/16 which is the same as 2014/15. It is important to remember that some drug doses are appropriately missed due to the patient's condition at the time.



Initiatives implemented during 2015/16

- The updated Clinical Dashboard was rolled out which included updates to the missed doses indicators. Staff can easily see which drugs are being missed, the most common reasons for missed doses, when and by whom plus how their ward compares to Trust-wide performance.
- A new report has been developed to monitor missed doses due to medication being intermittently out of stock. Certain cases are reviewed by the Executive Care Omissions RCA meeting.
- Performance for missed doses by specialty continues to be published for patients and the public each month as part of the *mystay@QEHB* website.

Learning from missed doses

The Trust has identified key reasons for missed doses, this includes delays in converting prescriptions from regular doses (e.g. three times a day), to 'as required' (called PRN, *pro re nata*). This is often found in prescriptions for analgesia (painkillers) where the patient may refuse some or all of the doses if they do not need it. In these cases it can be preferable to use a PRN prescription, although this is a clinical decision and will depend on the patient's individual circumstances.

Review of missed doses for the Executive Care Omissions RCA group has led to certain drugs, e.g. ones used to manage Parkinson's Disease, being stocked in the emergency drug cupboards which ward staff can access when the medication is not available on their ward.

Following one Executive Care Omissions RCA case, the ward updated their nursing shift handover process to include a review of patients' missed doses, meaning actions can be taken sooner such as asking the doctors to review a prescription or contacting Pharmacy to request a re-stock.

Changes to Improvement Priority for 2016/17

The Trust has chosen to continue its focus on maintaining performance for missed doses of antibiotics and reducing missed doses of non-antibiotics in the absence of a national consensus on what constitutes an expected level of drug omissions.

The Trust is aiming to maintain missed doses of antibiotics at 4% or less, and to reduce missed doses of non-antibiotic to 10% or less by the end of 2016/17 as this was not achieved in 2015/16.

Initiatives to be implemented in 2016/17

- New reports will be developed to identify types and patterns of missed doses across the Trust.
- Individual cases will continue to be selected for further review at the Executive Care Omissions RCA meetings.
- The Corporate Nursing team and Pharmacy will work together to identify where improvement actions should be directed to try to reduce missed non-antibiotics.

How progress will be monitored, measured and reported

- Progress will continue to be measured at ward, specialty, divisional and Trust levels using information recorded in the Prescribing Information and Communication System (PICS).
- Missed drug doses will continue to be communicated daily to clinical staff via the Clinical Dashboard (which displays real-time quality information at ward-level) and monitored at divisional, specialty and ward levels.
- Performance will continue to be reported to the Chief Executive's Advisory Group, the Chief Operating Officer's Group and the Board of Directors each month to ensure appropriate actions are taken.
- Progress will be publicly reported in the quarterly Quality Report updates published on the Trust's quality web pages. Performance for missed doses by specialty will continue to be provided to patients and the public each month on the *mystay@QEHB* website.

Priority 5

Infection prevention and control

Performance

MRSA Bacteraemia

The national objective for all Trusts in England in 2015/16 was to have zero avoidable MRSA bacteraemia. During the financial year 2015/16, there were eight MRSA bacteraemias apportioned to UHB.

All MRSA bacteraemias are subject to a post infection review (PIR) by the Trust in conjunction with the Clinical Commissioning Group. MRSA bacteraemias are then apportioned to UHB, the Clinical Commissioning Group or a third party organisation, based on where the main lapses in care occurred. Trust-apportioned MRSA bacteraemias are also subject to additional review at the Trust's Executive Care Omissions Root Cause Analysis meetings chaired by the Chief Executive.

The table below shows the Trust-apportioned cases reported to Public Health England for the past three financial years:

Time Period	2013/14	2014/15	2015/16
Number of cases	5	6	8
Agreed trajectory	0	0	0

Clostridium difficile Infection (CDI)

The Trust's annual agreed trajectory was a total of 63 cases involving lapses of care during 2015/16. A lapse in care means that correct processes were not fully adhered therefore the Trust did not do everything it could to try to prevent a *C. difficile* infection. UHB reported 66 cases in total, of which 24 had lapses in care. The Trust uses a post infection review tool with the local Clinical Commissioning Group to identify whether there were any lapses in care which the Trust can learn from.

The table below shows the total Trust-apportioned cases reported to Public Health England for the past three financial years:

Time Period	2013/14	2014/15	2015/16
Lapses in care	16	17	24
Total number of Trust-apportioned cases	80	66	66
Agreed trajectory	56	67	63

Initiatives implemented in 2015/16

- Reintroduced routine screening for MRSA, and decolonisation where required, of all patients who go to Critical Care. The Trust has not had any further MRSA bacteraemias involving patients who have been to Critical Care since this change was implemented from December 2015.
- The consistency of MRSA screening has been improved; swabs are taken by nursing staff to ensure that they have been properly taken from the nostrils, groin and back of the throat plus any additional sites as required.
- Focused on raising the awareness of proper hand hygiene with staff, patients and visitors via articles in news@QEHB.

Changes to Improvement Priority for 2016/17

For 2015/16, the zero tolerance approach to avoidable MRSA bloodstream infections with timely post infection reviews will continue as previously. For 2015/16, the UHB trajectory for CDI cases deemed to have lapses in care will remain at 63.

Initiatives to be implemented in 2016/17

A robust action plan has been developed to tackle Trust-apportioned MRSA bacteraemias and *Clostridium difficile* infections:

- Strict attention to hand hygiene and the use of PPE (Personal Protective Equipment). Ensure all staff are compliant in performing hand hygiene and adhere to PPE policy.
- Ensuring all relevant staff understand the correct procedure for screening patients for MRSA before admission, on admission and the screening of long stay patients.
- Ensuring prompt identification of people who have or are at risk of developing infection so they receive timely, appropriate treatment and management to reduce risk of transmission to other people.
- Ensuring the optimal management of all patients with MRSA colonisation and infection, including decolonisation treatment, prophylaxis during procedures, and treatment of established infections.
- Ensure appropriate antimicrobial use, to optimise patient outcomes and to reduce the risk of adverse events and antimicrobial resistance through prudent antimicrobial prescribing and stewardship.

- Careful attention to the care and documentation of any devices, ensuring all procedures are being followed as per Trust policy.
- Ensure all relevant staff are performing Saving Lives (infection prevention and control) audits and acting on the results.
- Providing and maintaining a clean environment throughout the Trust. Ensure cleaning standards are reviewed and implemented.
- Ensure all staff are aware of their responsibility for preventing and controlling infection through mandatory training attendance.
- Ensure post infection review investigations are completed and lessons learnt are fed back throughout the Trust.
- Continuation of the rapid reviews by the Infection Prevention & Control team of any area reporting two or more cases of CDI.

How progress will be monitored, measured and reported

- The number of cases of MRSA bacteraemia and CDI will be submitted monthly to Public Health England and measured against the 2016/17 trajectories.
- Performance will be monitored via the Clinical Dashboard. Performance data will be discussed monthly at the Board of Directors, Chief Executive's Advisory Group and Infection Prevention and Control Group meetings.
- Any death where an MRSA bacteraemia or CDI is recorded on part one of the death certificate will continue to be reported as serious incidents (SIs) to Birmingham CrossCity Clinical Commissioning Group (CCG).
- Post infection review and root cause analysis will continue to be undertaken for all MRSA bacteraemia and CDI cases.
- Progress against the Trust Infection Prevention and Control delivery plan will be monitored by the Infection Prevention and Control Group and reported to the Board of Directors via the Patient Care Quality Reports and the Infection Prevention and Control Annual Report. Progress will also be shared with Commissioners.

2.2 Statements of assurance from the Board of Directors

2.2.1 Information on the review of services

During 2015/16 the University Hospitals Birmingham NHS Foundation Trust* provided and/or sub-contracted 63 relevant health services.

The Trust has reviewed all the data available to them on the quality of care in 63 of these relevant health services**.

The income generated by the relevant health services reviewed in 2015/16 represents 100 per cent of the total income generated from the provision of relevant health services by the Trust for 2015/16.

* University Hospitals Birmingham NHS Foundation Trust will be referred to as the Trust/UHB in the rest of the report.

** The Trust has appropriately reviewed the data available on the quality of care for all its services. Due to the sheer volume of electronic data the Trust holds in various information systems, this means that UHB uses automated systems and processes to prioritise which data on the quality of care should be reviewed and reported on.

Data is reviewed and acted upon by clinical and managerial staff at specialty, divisional and Trust levels by various groups including the Clinical Quality Monitoring Group chaired by the Executive Medical Director.

2.2.2 Information on participation in clinical audits and national confidential enquiries

During 2015/16 32 national clinical audits and 4 national confidential enquiries covered relevant health services that UHB provides. During that period UHB participated in 94% (30 of 32) national clinical audits and 100% national confidential enquiries of the national clinical audits and national confidential enquiries which it was eligible to participate in.

The national clinical audits and national confidential enquiries that UHB was eligible to participate in during 2015/16 are as follows: (see tables below).

The national clinical audits and national confidential enquiries that UHB participated in during 2015/16 are as follows: (see tables below).

The national clinical audits and national confidential enquiries that UHB participated in, and for which data collection was completed during 2015/16, are listed below alongside the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry.

National Clinical Audits

National Audit UHB eligible to participate in	UHB participation 2015/16	Percentage of required number of cases submitted
National Vascular Registry (NVR)	Yes	>100%
National Diabetes Inpatient Audit (NADIA)	Yes	100%
Oesophago-Gastric Cancer Audit (NAOGC)	Yes	61–70%
Bowel Cancer (NBOCAP)	Yes	75%
NHS Blood And Transplant Audit Programme	Yes	N/A
Procedural sedation	Yes	100%
VTE Risk in Lower Limb Immobilisation	Yes	100%
Rheumatoid & Early Inflammatory Arthritis (EIA)	Yes	100%
Parkinson's Audit	Yes	100%
Emergency Oxygen Audit	Yes	100%
Cardiac Rhythm management	Yes	100%
Critical Care Case Mix Programme (ICNARC)	Yes	100%
Congenital Heart Disease Audit	Yes	81.1%
Acute Coronary Syndrome / Myocardial Infarction (MINAP)	Yes	100%
End of Life Care / National Audit of Care of the Dying	Yes	100%
Percutaneous Coronary Intervention (PCI)	Yes	100%
National Diabetes Audit	No	To start next financial year
Falls and Fragility Fractures Audit Programme	Yes	100%
Inflammatory Bowel Disease Programme	Yes	100%
National Lung Cancer Audit	Yes	100%
Trauma Audit & Research Network (TARN)	Yes	100%
National Adult Cardiac Surgery Audit	Yes	100%
National Cardiac Arrest Audit	No	Decision to not participate made at Executive Director level
National Chronic Obstructive Pulmonary Disease Audit Programme	Yes	100%
National Prostate Cancer Audit	Yes	>100%
Renal Registry – Renal Replacement Therapy	Yes	100%
SSNAP	Yes	100%
National Joint Registry – NJR	Yes	100%
Complicated Diverticulitis Audit	Yes	100%
National Emergency Laparotomy Audit	Yes	100%
National Heart Failure Audit	Yes	100%
National Ophthalmology Audit	Yes	Data collection to commence in September 2016.

National Confidential Enquiries (NCEPOD)

National Confidential Enquiries (NCEPOD)	UHB participation 2015/16	Percentage of required number of cases submitted
Mental Health	Yes	100%
Acute Pancreatitis	Yes	100%
Sepsis	Yes	100%
Gastrointestinal Haemorrhage	Yes	100%

Percentages given are the latest available figures.

The reports of 11 national clinical audits were reviewed by the provider in 2015/16 and UHB intends to take the following actions to improve the quality of healthcare provided: (see separate clinical audit appendix published on the Quality web pages: <http://www.uhb.nhs.uk/quality.htm>).

The reports of 91 local clinical audits were reviewed by the provider in 2015/16 and UHB intends to take the following actions to improve the quality of healthcare provided (see separate clinical audit appendix published on the Quality web pages: <http://www.uhb.nhs.uk/quality.htm>).

At UHB a wide range of local clinical audits are undertaken. This includes Trust-wide audits and specialty-specific audits that reflect local interests and priorities. A total of 504 clinical audits were registered with UHB's clinical audit team during 2015/16. Examples of some of the types of recommendations from these audits can be found in the table below. Of these audits, 136 were completed during the financial year (see separate clinical audit appendix published on the Quality web pages: <http://www.uhb.nhs.uk/quality.htm>).

2.2.3 Information on participation in clinical research

The number of patients receiving relevant health services provided or sub-contracted by UHB in 2015/16 that were recruited during that period to participate in research approved by a research ethics committee was:

NIHR portfolio studies	5,051
Non-NIHR portfolio studies	1,977
Total	7,028

The total figure is based on all research studies that were approved during 2015/16. (NIHR: National Institute for Health Research).

The table below shows the number of clinical research projects registered with the Trust's Research and Development (R&D) Team during the past three financial years. The number of studies which were abandoned is also shown for completeness. The main reason for studies being abandoned is that not enough patients were recruited due to the study criteria or patients choosing not to get involved.

Reporting Period	2013/14	2014/15	2015/16
Total number of projects registered with R&D	306	307	361
Out of the total number of projects registered, the number of studies which were abandoned	39	56	70
Trust total patient recruitment	10,778	11,400	7,028

The table below shows the number of projects registered in 2015/16, by specialty:

Speciality	Number of Projects Registered
Non-Specific	36
Accident & Emergency	2
Anaesthetics	4
Audiology	3
Burns & Plastics	3
Cardiac Medicine	1
Cardiac Surgery	5
Cardiology	17
Clinical Haematology	7
Clinical Immunology	1
Critical Care	7
Dermatology	4
Diabetes	5
Elderly Care	3
Endocrinology	19
ENT (Ear, Nose & Throat)	6
General Medicine	1
General Surgery	4
Genito-Urinary Medicine	6
GI Medicine	13
Haematology	26
Histopathology	1
HIV	1
Imaging	4
ITU	3
Liver Medicine	32
Lung Investigation Unit	2
Maxillofacial	2
Microbiology	4
Neurology	5
Neurosurgery	4
Oncology	63
Ophthalmology	5
Pain Services	1
Palliative Care	1
Pharmacology	1
Radiotherapy	1
Renal Medicine	21

Speciality	Number of Projects Registered
Renal Services	2
Renal Surgery	3
Respiratory Medicine	10
Rheumatology	9
Stroke Services	4
Trauma	1
Urology	5
Vascular Surgery	3
Total	361

Examples of research at UHB having an impact on patient care

UHB is the Chief Investigator site for the national Lung Matrix Trial. By creating a collaborative network to screen patients across the West Midlands, this trial has the potential to identify large numbers of patients with gene mutations that can be targeted by the trial's drugs and will change patient care by personalising medicine and finding the best treatment "fit" for a patient, based on the tumour's genetics. The design of the trial allows for the addition of trial "arms" as and when drug and mutation combinations have been identified with pharmaceutical companies, thus eliminating the need to start a trial set up from scratch and speeding up the timelines for patient access to trial drugs. This trial is also advancing the testing procedures undertaken for patients with lung cancer and has the potential to drive the integration of genomic medicine into standard patient care. Since the trial opened in April 2015, UHB has been the highest recruiter in the UK to date.

A key objective of the NIHR Surgical Reconstruction and Microbiology Research Centre was to transfer lessons learned from the military setting into civilian care for Trauma patients. The Major Trauma Centre at UHB had the highest rate of unexpected survivors in England in 2015/16. The 24/7 Trauma research team have extended their reach to recruit patients to clinical trials at point of presentation in the Emergency Department and the Intensive Care Unit. This team now recruited approximately 500 patients per year who present acutely with traumatic injury. The team have visited other NHS trusts and worked with NIHR Clinical Research Networks to share best practice and support adoption of a similar service in other hospitals.

2.2.4 Information on the use of the Commissioning for Quality and Innovation (CQUIN) payment framework

UHB income in 2015/16 was not conditional on achieving quality improvement and innovation goals through the

Commissioning for Quality and Innovation payment framework because the Trust was paid by commissioners based on the Default Rollover Tariff in 2015/16 and therefore was not eligible for CQUIN funding. The Trust received £10.9m in payment in 2014/15.

2.2.5 Information relating to registration with the Care Quality Commission (CQC) and special reviews/investigations

UHB is required to register with the Care Quality Commission and its current registration status is registered without compliance conditions. UHB has the following conditions on registration: the regulated activities UHB has registered for may only be undertaken at Queen Elizabeth Medical Centre.

The Care Quality Commission has taken enforcement action against UHB during 2015/16 as a result of a focused inspection to Cardiac Surgery. Prior to the CQC inspection the Trust had established a Cardiac Surgery Quality Improvement Programme (CSQIP) to improve the service.

The CQC placed two conditions on the Trust registration following a focused inspection to Cardiac Surgery. The conditions require the Trust to submit weekly outcome data to the CQC and commission an external review. The external review was completed in March 2016 and actions to address the recommendations have been identified. Whilst the majority of the actions in response to the recommendations were already being progressed through the CSQIP, the additional actions identified have been added to the CSQIP and will be monitored on a weekly basis by the project group. Reports on progress against the project plan will continue to be provided to the Cardiac Surgery Steering Group and the Cardiac Surgery Oversight Group. In May 2016, the CQC removed the conditions on UHB's registration. Data will be submitted on a quarterly basis.

UHB has participated in special reviews or investigations by the Care Quality Commission and the Birmingham CrossCity Clinical Commissioning Group relating to the following areas during 2015/16 (see table below). UHB intends to take the following action to address the conclusions or requirements reported by the CQC (see table below). UHB has made the following progress by 31st March 2016 in taking such action (see table below).

Responding to Key National Recommendations

In September 2015 NHS England published the National Safety Standards for Invasive Procedures (NatSSIPs) to support NHS organisations in providing safer care and to reduce the number of patient safety incidents related to invasive procedures in which surgical Never Events can occur. The NatSSIPs cover all invasive procedures including those performed outside of the operating department. In addition a 'Stage 2 – Resource' Patient Safety Alert was issued, The Alert requires each relevant

organisation to take local action to put the standards in place, LocSSIPs (Local Safety Standards for Invasive Procedures). The requirements to ensure compliance were discussed at the Clinical Quality Monitoring Group, a gap analysis has been undertaken to identify the appropriate procedures and the Trust is developing a Human Factors Faculty that will support some aspects of the NatSSIPs work programme.

UHB is committed to providing the best in care and there are a wide range of measures in place to improve the quality of services provided to patients as detailed within this Quality Report.

Inspections/visits undertaken by the Care Quality Commission and Birmingham CrossCity Clinical Commissioning Group

Date	Type of inspection	Outcome	Actions taken
Birmingham CrossCity – Clinical Commissioning Group (CCG)			
21 January 2016	As per the contractual requirement, the CCG undertook a bi annual assurance review of the trust's systems and processes in place for managing the application of the Duty of Candour	The trust has a robust system in place for managing this process. During discussion with the Risk and Compliance team the CCG were made aware that further enhancements to the system will be undertaken in the near future. Clearly an effective training programme had been implemented across the trust with evidence of commitment across all disciplines of staff.	N/A
14 August 2015	An unannounced visit was conducted to look at patient experience. The review included wards 514, 411 and West 2	We spoke to several patients and overall the comments received were very positive. We gave feedback to the Deputy Chief Nurse who was aware of the concern relating to incident reporting on Ward W2 and is addressing this.	Incident was reviewed and actions implemented.
9 November 2015	Unannounced visit of the Emergency Department looking at patient experience and in particular vulnerable patients	Overall the CCG was satisfied and did not identify any improvement actions for UHB.	N/A
12 November 2015	This was an unannounced visit to wards 407, 409, 621 and 622 carried out with Birmingham South Central CCG.	Overall the visit was positive with some minor suggestions for improvement.	Feedback was shared with the wards involved and improvements are being monitored by the Corporate Nursing team.
Care Quality Commission (CQC)			
21–23 December 2016	Focused Inspection of Fundamental Standards relating to Cardiac Surgery	The CQC placed two conditions on the Trust registration. The conditions require the Trust to submit weekly outcome data to the CQC and commission an external review. The external review was completed in March 2016 and actions to address the recommendations have been identified. In May 2016, the CQC removed the conditions on UHB's registration. Data will be submitted on a quarterly basis.	Whilst the majority of the actions in response to the recommendations were already being progressed through the CSQIP, the additional actions identified have been added to the CSQIP and will be monitored on a weekly basis by the project group. Reports on progress against the project plan will continue to be provided to the Cardiac Surgery Steering Group and the Cardiac Surgery Oversight Group.

Care Quality Commission: Inspection Ratings Grid

The CQC carried out a focused inspection of the Trust in January 2015. As a result of the inspection the Trust was overall rated as 'good' and full details of the Trusts ratings are below.

Domain	Safe	Effective	Caring	Responsive	Well-led	Overall
Urgent and Emergency Services	Requires Improvement	Requires Improvement	Good	Outstanding	Good	Good
Medical Care	Good	Good	Good	Good	Good	Good
Surgery	Good	Outstanding	Good	Requires Improvement	Good	Good
Critical Care	Good	Outstanding	Outstanding	Outstanding	Outstanding	Outstanding
End of Life Care	Good	Good	Good	Outstanding	Good	Good
Outpatient and diagnostic imaging	Good	N/A	Good	Requires Improvement	Requires Improvement	Requires Improvement
Overall Trust	Good	Good	Good	Good	Outstanding	Good

For the areas which were rated as 'requires improvement' the CQC provided recommendations the Trust must take to improve. An action plan was developed as a result of and is monitored by the Board of Directors on a quarterly basis.

2.2.6 Information on the quality of data

UHB submitted records during 2015/16 to the Secondary Uses service for inclusion in the Hospital Episode Statistics which are included in the latest published data. The percentage of records in the published data:

- which included the patient's valid NHS Number was:
 - 96.30% for admitted patient care;
 - 97.42% for out patient care; and
 - 97.30% for accident and emergency care.
- which included the patient's valid General Medical Practice Code was:
 - 99.98% for admitted patient care;
 - 99.74% for out patient care; and
 - 99.99% for accident and emergency care.

UHB Information Governance Assessment Report overall score for 2015/16 was 72% and was graded green (satisfactory).

UHB was not subject to the Payment by Results clinical coding audit during 2015/16 by the Audit Commission.

UHB will be taking the following actions to improve data quality:

- Continue to drive forward the strategy of the West Midlands Clinical Coding Academy to further improve training and clinical coding across the West Midlands.
- Implementation of a new integrated Trust-wide patient administration system which will simplify data entry, increase validation and reduce duplication of data entry.
- Ensure continued compliance with the Information Governance Toolkit minimum Level 2 for data quality standards.
- Reinforce the embedded data quality culture by ensuring senior staff are informed of the importance of data accuracy and the Trust Data Quality Policy. The data quality policy for the Trust is under review with workstreams identified to enhance data quality compliance.
- Continue to reinforce the embedded data quality culture by challenging data at monthly executive forums and investigating any potential issues.
- Implementation of a quality assurance programme ensuring key elements of information reporting including data assurance, presentation and validation.

- Continue to improve the data quality in relation to 18 week referral to treatment time (RTT) through audit, validation and education of both clinical and non-clinical teams. An 18 week RTT audit is scheduled to occur in 2016/17.

2.3 Performance against national core set of quality indicators

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

3.1 Overview of quality of care provided during 2015/16

The tables below show the Trust's latest performance for 2015/16 and the last two financial years for a selection of indicators for patient safety, clinical effectiveness and patient experience. The Board of Directors has chosen to include the same selection of indicators as reported in the Trust's 2014/15 Quality Report to enable patients and the public to understand performance over time.

The patient safety and clinical effectiveness indicators were originally selected by the Clinical Quality Monitoring Group because they represent a balanced picture of quality at UHB. The patient experience indicators were selected in consultation with the Care Quality Group which has Governor representation to enable comparison with other NHS trusts.

The latest available data for 2015/16 is shown below and has been subject to the Trust's usual data quality checks by the Health Informatics team. Benchmarking data has also been included where possible. Performance is monitored and challenged during the year by the Clinical Quality Monitoring Group and the Board of Directors.

Patient safety indicators

Indicator	2013/14	2014/15	2015/16	Peer Group Average (where available)
1(a). Patients with MRSA infection/100,000 bed days (includes all bed days from all specialities) <i>Lower rate indicates better performance</i>	1.04	1.52	2.43	0.83
Time period	2013/14	2014/15	April 2015 – January 2016	April 2015 – January 2016
Data source(s)	Trust MRSA data reported to PHE, HES data (bed days)	Trust MRSA data reported to PHE, HES data (bed days)	Trust MRSA data reported to PHE, HES data (bed days)	Trust MRSA data reported to PHE, HES data (bed days)
Peer group				Acute trusts in West Midlands
1(b). Patients with MRSA infection/100,000 bed days (aged >15, excluding Obstetrics, Gynaecology and elective Orthopaedics) <i>Lower rate indicates better performance</i>	1.04	1.52	2.44	0.98
Time period	2013/14	2014/15	April 2015 – January 2016	April 2015 – January 2016
Data source(s)	Trust MRSA data reported to PHE, HES data (bed days)	Trust MRSA data reported to PHE, HES data (bed days)	Trust MRSA data reported to PHE, HES data (bed days)	Trust MRSA data reported to PHE, HES data (bed days)
Peer group				Acute trusts in West Midlands
2(a). Patients with C. difficile infection/100,000 bed days (includes all bed days from all specialities) <i>Lower rate indicates better performance</i>	20.76	16.73	16.45	14.14
Time period	2013/14	2014/15	April 2015 – January 2016	April 2015 – January 2016
Data source(s)	Trust CDI data reported to PHE, HES data (bed days)	Trust CDI data reported to PHE, HES data (bed days)	Trust CDI data reported to PHE, HES data (bed days)	Trust CDI data reported to PHE, HES data (bed days)
Peer group				Acute trusts in West Midlands SHA

Indicator	2013/14	2014/15	2015/16	Peer Group Average (where available)
2(b). Patients with C. difficile infection/100,000 bed days (aged >15, excluding Obstetrics, Gynaecology and elective Orthopaedics) <i>Lower rate indicates better performance</i>	20.89	16.82	16.53	17.27
Time period	2013/14	2014/15	April 2015 – January 2016	April 2015 – January 2016
Data source(s)	Trust CDI data reported to PHE, HES data (bed days)	Trust CDI data reported to PHE, HES data (bed days)	Trust CDI data reported to PHE, HES data (bed days)	Trust CDI data reported to PHE, HES data (bed days)
Peer group				Acute trusts in West Midlands
3(a) Patient safety incidents (reporting rate per 1000 bed days) <i>Lower rate indicates better performance</i>	Not available (new measure)	47.2	63.3	37.2
Time period		2014/15	2015/16	October 2014 – March 2015
Data source(s)		Datix (incident data), Trust admissions data	Datix (incident data), Trust admissions data	Calculated from data on NRLS website (Organisational Patient Safety Incidents Workbook)
Peer group				Acute (non specialist) hospitals
3(b) Never Events <i>Lower rate indicates better performance</i>	2	3	5	Not available
Time period		2014/15	April 2015 – January 2016	April 2015 – January 2016
Data source(s)		Trust CDI data reported to PHE, HES data (bed days)	Trust CDI data reported to PHE, HES data (bed days)	Trust CDI data reported to PHE, HES data (bed days)
Peer group				Acute trusts in West Midlands

Indicator	2013/14	2014/15	2015/16	Peer Group Average (where available)
4(a) Percentage of patient safety incidents which are no harm incidents <i>Lower rate indicates better performance</i>	71.1%	81.0%	82.0%	74.3%
Time period	2013/14	2014/15	2015/16	October 2014 – March 2015
Data source(s)	Datix (incident data)	Datix (incident data)	Datix (incident data)	NRLS website (Organisational Patient Safety Incidents Workbook)
Peer group				Acute (non-specialist) hospitals
4(b) Percentage of patient safety incidents reported to the National Reporting and Learning System (NRLS) resulting in severe harm or death <i>Lower rate indicates better performance</i>	0.24%	0.12%	0.14%	0.50%
Time period	2013/14	2014/15	2015/16	October 2014 – March 2015
Data source(s)	Datix (patient safety incidents reported to the NRLS)	Datix (patient safety incidents reported to the NRLS)	Datix (patient safety incidents reported to the NRLS)	Calculated from data on NRLS website (Organisational Patient Safety Incidents Workbook)
Peer group				Acute (non-specialist) hospitals
4(c) Number of patient safety incidents reported to the National Reporting and Learning System (NRLS)	9,828	16,222	20,516	9,566 (6 months)
Time period	2013/14	2014/15	2015/16	October 2014 – March 2015
Data source(s)	Datix (patient safety incidents reported to the NRLS)	Datix (patient safety incidents reported to the NRLS)	Datix (patient safety incidents reported to the NRLS)	Average number of patient safety incidents reported calculated from data on NRLS website (Organisational Patient Safety Incidents Workbook)
Peer group				Acute (non-specialist) hospitals

Notes on patient safety indicators

3(a): The NHS England definition of a bed day ("KH03") differs from UHB's usual definition. For further information, please see this link: <http://www.england.nhs.uk/statistics/statistical-work-areas/bed-availability-and-occupancy/>

NHS England have also reduced the number of peer group clusters (trust classifications), meaning UHB is now classed as an 'acute (non specialist)' trust and is in a larger group. Prior to this, UHB was classed as an 'acute teaching' trust which was a smaller group.

In January 2014, the Trust implemented an automatic incident reporting process whereby incidents are directly reported from the Trust's Prescribing Information and Communication System (PICS). These include missed observations and patients who need to be discharged off PICS. The Trust's incident reporting rate has therefore increased and this trend is likely to continue. The purpose of automated incident reporting is to ensure even small errors or omissions are identified and addressed as soon as possible. The plan is to include other automated incidents such as 'complete set of observations plus pain assessment within 6 hours of admission to a ward' during 2016/17.

3(b): UHB had five Never Events in 2015/16:

- A guide wire was left in situ following insertion of a central venous catheter (CVC). A scan the next day found the guide wire and it was removed. No harm was caused to the patient as a result of this incident, a full investigation has been carried out and actions are being implemented including update of the relevant guidelines and documentation and education around CVC insertion.

- Laser Pan-Retinal Photocoagulation (PRP) treatment (an ophthalmology procedure) was carried out on an incorrect patient. After the procedure had commenced the staff realised and the procedure was stopped immediately. The patient was informed of what happened at the time of the incident and an apology was made. The patient has also since been contacted and informed that an investigation is taking place. There was no immediate harm to the patient, who will be closely monitored in clinic. Immediate precautionary measures have been put in place and the pre-operative checklist is to be adapted.
- Staff failed to check the position of a nasogastric (NG) tube after insertion by testing the pH and the tube was later found to be in the patient's lung instead of their stomach. A nursing alert has been sent out across the Trust reinforcing the Trust standards for management of NG feeding tubes.
- An anaesthetist gave a block on the wrong side for shoulder surgery. Checks prior to administration of the block were incomplete. This incident is subject to an ongoing investigation.
- A patient received four units of incorrect blood type due to an error in labelling. This Never Event occurred in March 2016 but was reported to Birmingham Cross-City Clinical Commissioning Group in early April 2016 once it had been confirmed as a Never Event. This incident is subject to an ongoing investigation.

4(c): The number of incidents shown only includes those classed as patient safety incidents and reported to the National Reporting and Learning System.

Clinical effectiveness indicators

Indicator	2013/14	2014/15	2015/16	Peer Group Average (where available)
5(a) Emergency readmissions within 28 days (%) (Medical and surgical specialities – elective and emergency admissions aged >15) % <i>Lower % indicates better performance</i>	12.86% England: 13.51%	13.51% England: 13.88%	13.33%	13.82% England: 13.37%
Time period	2013/14	2014/15	April – December 2015	April – December 2015
Data source(s)	HES data	HES data	HES data	HES data
Peer group				University hospitals
5(b). Emergency readmissions within 28 days (%) (all specialities) <i>Lower % indicates better performance</i>	12.80% England: 12.90%	13.48% England: 13.25%	13.30%	13.32% England: 13.37%
Time period	2013/14	2014/15	April – December 2015	April – December 2015
Data source(s)	HES data	HES data	HES data	HES data
Peer group				University hospitals
5(c). Emergency readmissions within 28 days of discharge (%) (includes all bed days from all specialities) <i>Lower rate indicates better performance</i>	10.25%	10.75%	10.64%	Not available
Time period	2013/14	2014/15	April 2015 - February 2016	
Data source(s)	Lorenzo	Lorenzo	Lorenzo	
Peer group				

Indicator	2013/14	2014/15	2015/16	Peer Group Average (where available)
6. Falls (incidents reported as % of patient episodes) <i>Lower % indicates better performance</i>	2.1%	2.2%	2.1%	Not available
Time period	2013/14	2014/15	2015/16	
Data source(s)	Datix (incident data), Trust admissions data	Datix (incident data), Trust admissions data	Datix (incident data), Trust admissions data	
Peer group				
7. Stroke in-hospital mortality <i>Lower % indicates better performance</i>	Not Available	9.5%	5.0%	Not available
Time period		2014/15	2015/16	
Data source(s)		SSNAP data	SSNAP data	
Peer group				
8. Percentage of beta blockers given on the morning of the procedure for patients undergoing first time coronary artery bypass graft (CABG) <i>Lower % indicates better performance</i>	89.0%	94.7%	97.5%	Not available
Time period	2013/14	2014/15	2015/16	
Data source(s)	Trust PICS data	Trust PICS data	Trust PICS data	
Peer group				

Notes on clinical effectiveness indicators

The data shown is subject to standard national definitions where appropriate. The Trust has also chosen to include infection and readmissions data which has been corrected to reflect specialty activity, taking into account that the Trust does not undertake paediatric, obstetric, gynaecology or elective orthopaedic activity. These specialties are known to be very low risk in terms of hospital acquired infection, for example, and therefore excluding them from the denominator (bed day) data enables a more accurate comparison to be made with peers.

5(a), 5(b): The methodology has been updated to reflect the latest guidance from the Health and Social Care Information Centre. The key change is that day cases and regular day case patients, all cancer patients or patients coded with cancer in the previous 365 days are now excluded from the denominator. This indicator includes patients readmitted as emergencies to the Trust or any other provider within 28 days of discharge. Further details can be found on the Health and Social Care Information Centre website. Any changes in data since the previous Quality Report and due to updates made to the national HES data.

5(c): This indicator only includes patients readmitted as emergencies to the Trust within 28 days of discharge and excludes UHB cancer patients. The data source is the Trust's patient administration system (Lorenzo). The data for previous years has been updated to include readmissions from 0 to 27 days and exclude readmissions on day 28 in line with the national methodology. Any changes in previously reported data are due to long-stay patients being discharged after the previous years' data was analysed.

7: The data source for this indicator was changed in 2014; this means 2013/14 data has not been included as it is not directly comparable to subsequent years.

8: Beta blockers are given to reduce the likelihood of peri-operative myocardial infarction and early mortality. This indicator relates to patients already on beta blockers and whether they are given beta blockers on the day of their operation. All incidences of beta blockers not being given on the day of operation are investigated to understand the reasons why and to reduce the likelihood of future omissions. During 2014/15 there was a small adjustment to the methodology of this indicator, resulting in a very small change to the indicator results for this year.

Patient experience indicators

The results of the 2015 National Inpatient Survey reported that the Trust was 'better' than other Trusts in six questions (four in 2014): getting enough help from staff to eat meals, being given written or printed information about what to do/not do after leaving hospital, giving family/someone close all the information needed to care for the patient, telling patients who to contact if they are worried after leaving hospital, discussing with patient whether any further health or social care services were needed after leaving hospital, and asking patients during their stay about the quality of care they were receiving. All other questions scored 'about the same' as other trusts. This shows a continuous improvement from 2013 when the Trust was 'about the same' as other trusts in all questions.

Patient survey question	2013/14		2014/15		2015/16	
	Score	Comparison with other NHS trusts in England	Score	Comparison with other NHS trusts in England	Score	Comparison with other NHS trusts in England
9. Overall were you treated with respect and dignity	9.1	About the same	9.2	About the same	9.2	About the same
10. Involvement in decisions about care and treatment	7.5	About the same	7.7	About the same	7.5	About the same
11. Did staff do all they could to control pain	7.9	About the same	8.1	About the same	8.2	About the same
12. Cleanliness of room or ward	9.3	About the same	9.2	About the same	9.2	About the same
13. Overall rating of care	8.3	About the same	8.3	About the same	8.4	About the same
Time period & data source	2013, Trust's Survey of Adult Inpatients 2013 Report, Care Quality Commission		2014, Trust's Survey of Adult Inpatients 2014 Report, Care Quality Commission		2015, Trust's Survey of Adult Inpatients 2015 Report, Care Quality Commission	

Notes on patient experience measures

The style of the survey reports produced by the Care Quality Commission for individual trusts benchmark report presents the data as a score out of 10; the higher the score for each question, the better the Trust is performing.

3.2 Performance against indicators included in the Monitor Risk Assessment Framework

Indicator	Target	Performance	
		2014/15	2015/16
C. <i>difficile</i> infection (post-48 hour cases) (Number of judged lapses in care)	2014/15: ≤ 67 2015/16: ≤ 63	17 judged lapses in care (66 total)	24 cases judged lapses in care (66 total)
62-day wait for first treatment from urgent GP referral: all cancers	85%	73.8%	72.2%
62-day wait for first treatment from consultant screening service referral: all cancers	90%	89.3%	92.8%
31-day wait from diagnosis to first treatment: all cancers	96%	91.9%	95.5%
31-day wait for second or subsequent treatment: surgery	94%	82.9%	93.2%
31-day wait for second or subsequent treatment: anti cancer drug treatments	98%	98.5%	99.4%
31-day wait for second or subsequent treatment: radiotherapy	94%	98.0%	97.4%
Two week wait from referral to date first seen: all cancers	93%	95.1%	97.2%
Two week wait from referral to date first seen: breast symptoms	93%	99.9%	98.5%
18-week maximum wait from point of referral to treatment (incomplete pathways) ^{1,2,3}	92%	93.6%	95.0%
Maximum waiting time of four hours in A&E from arrival to admission, transfer or discharge ²	95%	94.8%	91.9%
Self-certification against compliance with requirements regarding access to healthcare for people with a learning disability	N/A	Certification made	Certification made

Notes

- 1: During the year the targets for an 18-week maximum wait from point of referral to treatment for admitted and non-admitted patients were removed from Monitor's Risk Assessment Framework. The target for an 18-week maximum wait from point of referral to treatment for incomplete pathways remains.
- 2: Indicators audited by the Trust's external auditor Deloitte as part of the external assurance arrangements for the 2015/16 Quality Report. Please see detailed notes below relating to the 18-week maximum wait from point of referral to treatment (incomplete pathways) indicator.
- 3: Information relating to the 18-week maximum wait from point of referral to treatment (incomplete pathways) indicator:

Performance validation

In line with practices across many NHS Trusts and Foundation Trusts, the Trust has a month end validation process in place prior to the submission of Referral-to-Treatment (RTT) performance data. The Trust undertakes a range of validation primarily because of the volume of patients recorded as being on a RTT pathway, the volume of referrals accepted from other organisations and also because of the complexity of the patient pathways as a specialist tertiary centre.

The Trust concentrates its month end reporting validation on the incomplete pathways with a waiting time in excess of 18 weeks. Previously validation only focused on the less well-performing specialties and ceased once overall performance reached between 92%-95%. As a result of this validation process, there is a possibility we may have overstated the number of breaches. In such instances, our performance against the 92% target could have been greater than the levels identified in the table above. From March 2016, all incomplete pathways with a waiting time of 18 weeks or more are being validated, regardless of specialty or the level of performance reached.

A pathway compliance monitoring tool is in development and will be deployed from June 2016. This tool looks for common RTT pathway errors on a weekly basis, identifying individual users who make the most errors so that they can be targeted for training and support. The tool will allow pathway errors to be corrected as they are identified, rather than waiting until the pathway has exceeded 18 weeks and relying on the error being picked up during month end validation. Over time it is anticipated the number of pathways requiring month end validation will reduce, allowing the Trust to validate to 16 weeks and even earlier, as resources allow. This is a key shift from “back-stop” validation to prevention of errors at source or early detection and correction of errors before a breach arises.

A weekly RTT Assurance meeting is chaired by the Head of Service Improvement and is attended by operational managers representing all specialties. Key themes that emerge from the month end validation process are discussed at the meeting, for example the validation process may have identified an increase in the number of missed clock stops for first treatment in outpatients. This discussion and subsequent rectification action planning ensures that key messages are disseminated and learning from validation is shared within the organisation. Output from the pathway compliance monitoring tool will also be reviewed at the weekly RTT Assurance meeting from June 2016.

Unknown clock starts

The Trust is required to report performance against three indicators in respect of 18 week Referral-to-Treatment targets. For patient pathways covered by this target, the three metrics reported are:

- “admitted” – for patients admitted for first treatment during the year, the percentage who had been waiting less than 18 weeks from their initial referral;
- “non-admitted” – for patients who received their first treatment without being admitted, or whose treatment pathway ended for other reasons without admission, the percentage for the year who had been waiting less than 18 weeks from the initial referral; and
- “incomplete” – the average of the proportion of patients at each month end who had been waiting less than 18 weeks from initial referral, as a percentage of all patients waiting at that date.

The measurement and reporting of performance against these targets is subject to a complex series of rules and guidance published nationally. However, the complexity and range of the services offered by the Trust mean that local policies and interpretations are required, including those set out in the Trust Access Policy. As a specialist tertiary provider receiving onward referrals from other trusts, a key issue for the Trust is reporting pathways for patients who were initially referred to other providers.

Under the rules for the indicators, the Trust is required to report performance against the 18 week target for patients under its care, including those referred on from other providers. Depending on the nature of the referral and whether the patient has received their first treatment, this can either “start the clock” on a new 18 week treatment pathway, or represent a continuation of their waiting time which began when their GP made an initial referral. In order to accurately report waiting times, the Trust therefore needs other providers to share information on when each patient’s treatment pathway began.

Although providing this information is required under the national RTT rules, and there is a standard defined ‘Inter Provider Administrative Data Transfer Minimum Data Set’ to facilitate sharing the required information, the Trust does not usually receive this information from referring providers. This means that for some patients the Trust cannot know definitively when their treatment pathway began. The national guidance assumes that the “clock start” can be identified for each patient pathway, and does not provide guidance on how to treat patients with “unknown clock starts” in the incomplete pathway metric.

The Trust's approach in these cases, where information is not forthcoming after chasing the referring provider, is to treat a new treatment pathway as starting on the date that the Trust receives the referral for the first time. Rather than spend a significant amount of time chasing clock starts for tertiary referrals, the main focus is on recording receipt of the referral and ensuring timely appointments are made. This approach means that all patients are included in the calculation of the reported indicators, but may mean that the percentage waiting more than 18 weeks for treatment is understated as we cannot take account of time spent waiting with other providers which has not been reported by them. Due to how data is captured, it is not practicable to quantify the number of patients this represents for the year.

The absence of timely sharing of data by referring providers impacts the Trust's ability to monitor and manage whether patients affected are receiving treatment within the 18 week period set out in the NHS Constitution, and requires significant time and resource for follow-up.

3.3 Mortality

The Trust continues to monitor mortality as close to real-time as possible with senior managers receiving daily emails detailing mortality information and on a longer term comparative basis via the Trust's Clinical Quality Monitoring Group. Any anomalies or unexpected deaths are promptly investigated with thorough clinical engagement.

The Trust has not included comparative information due to concerns about the validity of single measures used to compare trusts.

Summary Hospital-level Mortality Indicator (SHMI)

The Health and Social Care Information Centre (HSCIC) first published data for the Summary Hospital-level Mortality Indicator (SHMI) in October 2011. This is the national hospital mortality indicator which replaced previous measures such as the Hospital Standardised Mortality Ratio (HSMR). The SHMI is a ratio of observed deaths in a trust over a period time divided by the expected number based on the characteristics of the patients treated by the trust. A key difference between the SHMI and previous measures is that it includes deaths which occur within 30 days of discharge, including those which occur outside hospital.

The Summary Hospital-level Mortality Indicator should be interpreted with caution as no single measure can be used to identify whether hospitals are providing good or poor quality care.¹ An average hospital will have a SHMI around 100; a SHMI greater than 100 implies more deaths occurred than predicted by the model but may still be within the control limits. A SHMI above the control limits should be used as a trigger for further investigation.

The Trust's latest SHMI is 99.55 for the period April – December 2015 which is within tolerance. The latest SHMI value for the Trust, which is available on the HSCIC website, is 95.51 for the period April – September 2015. This is within tolerance.

The Trust has concerns about the validity of the Hospital Standardised Mortality Ratio (HSMR) which was superseded by the SHMI but it is included here for completeness. UHB's HSMR value is 105.31 for the period April 2015 – January 2016 as calculated by the Trust's Health Informatics team. The validity and appropriateness of the HSMR methodology used to calculate the expected range has however been the subject of much

1 Freemantle N, Richardson M, Wood J, Ray D, Khosla S, Sun P, Pagano, D. Can we update the Summary Hospital Mortality Index (SHMI) to make a useful measure of the quality of hospital care? An observational study. *BMJ Open*. 31 January 2013.

2 Hogan H, Healey F, Neale G, Thomson R, Vincent C, Black, N. Preventable deaths due to problems in care in English acute hospitals: a retrospective case record review. *BMJ Quality & Safety*. Online First. 7 July 2012.

3 Lilford R, Mohammed M, Spiegelhalter D, Thomson R. Use and misuse of process and outcome data in managing performance of acute and medical care: Avoiding institutional stigma. *The Lancet*. 3 April 2004.

national debate and is largely discredited.^{2,3} The Trust is continuing to robustly monitor mortality in a variety of ways as detailed above.

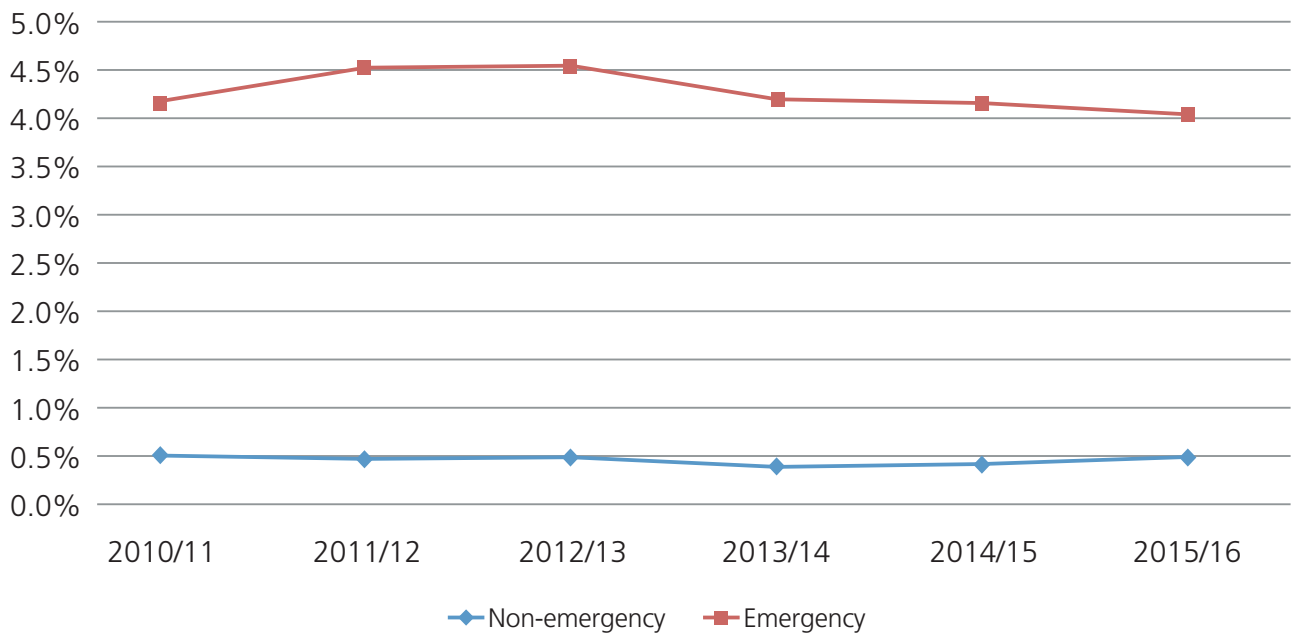
Crude Mortality

The first graph shows the Trust's crude mortality rates for emergency and non-emergency (planned) patients. The second graph below shows the Trust's overall crude mortality rate against activity (patient discharges) by

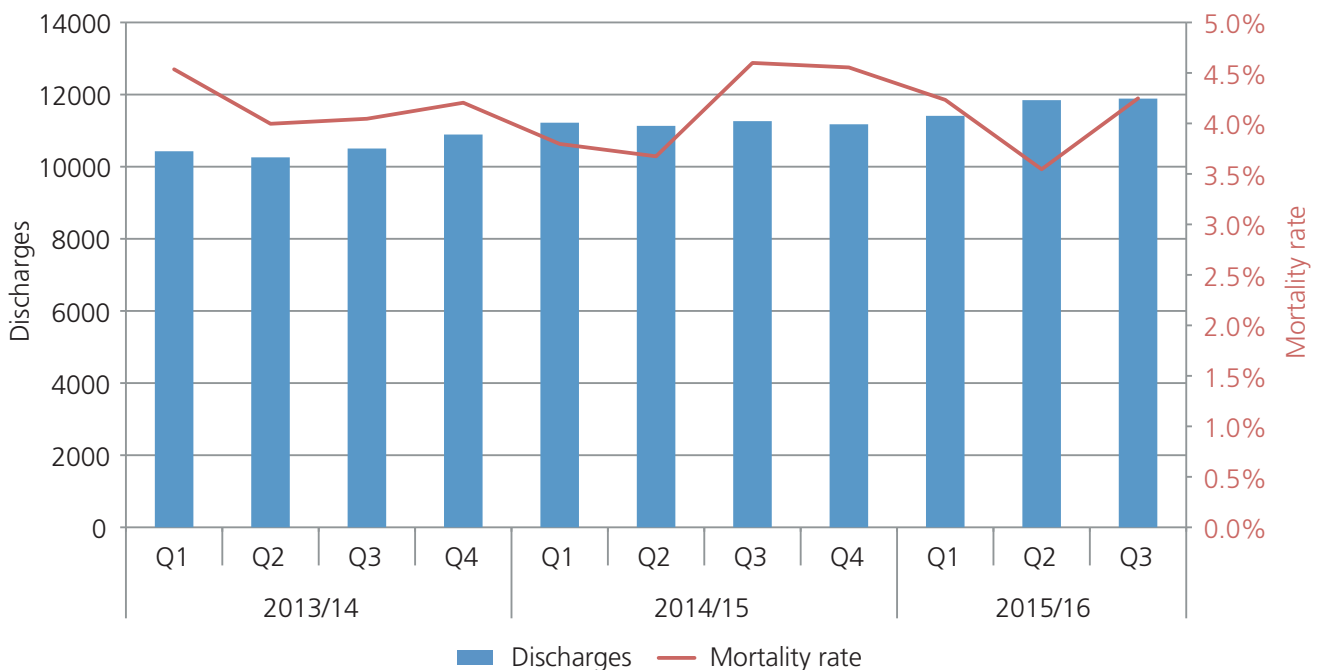
quarter for the past two calendar years. The crude mortality rate is calculated by dividing the total number of deaths by the total number of patients discharged from hospital in any given time period. The crude mortality rate does not take into account complexity, case mix (types of patients) or seasonal variation.

The Trust's overall crude mortality rate for 2015/16 (3.04%) is very similar to 2014/15 (3.05%).

Emergency and Non-emergency Mortality Graph



Overall Crude Mortality Graph



3.4 Safeguarding

The Trust underwent a Care Quality Commission (CQC) inspection in January 2015 which included safeguarding practice. The report, which was published in May 2015, was very positive in relation to safeguarding practice, training and leadership.

In October 2015, the Birmingham Safeguarding Children Board chair visited the Trust to carry out a review of safeguarding processes and procedures. A child's pathway was followed to ensure the appropriate response and documentation was in evidence and recorded. Verbal feedback from the review was very positive which also noted innovative ideas being adopted in the Trust.

The Lead Nurse for Safeguarding receives details of relevant incidents on a daily basis and initiates follow up actions where necessary. The Lead Nurse for Safeguarding also receives any complaints or concerns raised via the Patient Advice and Liaison Service (PALS) relating to safeguarding which are also followed up.

The Trust's framework for safeguarding adults and children is based on national guidance arising from the Care Act 2014 and the Working Together to Safeguard Children 2015 guide, which promotes development of inter-agency working to safeguard vulnerable adults and children.

UHB has continued to ensure that safeguarding of adults and children remains a high priority. The aim of safeguarding is to ensure that there are robust policies with supporting procedural documents which allows a consistent approach to the delivery of safeguarding principles across the Trust. Level 2 Adult and Children Safeguarding training is a combined session and has been mandatory for all patient-facing staff in 2015/16. Further factsheets on types of abuse are now available to support staff and a patient information leaflet for children is available in all clinical areas. Two study days for Clinical Champions (one from each clinical area) have been held to improve knowledge across the Trust. The domestic abuse information page which is available on the intranet for all staff has been developed along with a page containing information on Female Genital Mutilation to enhance staff members' awareness, knowledge and skills.

The Safeguarding Team have developed a questionnaire for adult patients who pass through the safeguarding process to obtain their views on the process.

The policy provides a framework that can be consistently followed, reinforced by training and support, to enable all clinical staff to recognise and report adults and children who are at risk, ensuring that patients receive a positive experience, including support in relation to safeguarding where necessary. Further information can be found in the Trust's Annual Report for 2015/16: <http://www.uhb.nhs.uk/reports.htm>.

3.5 Staff Survey

The Trust's Staff Survey results for 2015 show that performance was average or better for 30 of the 32 key findings and below average for 2 key findings, when compared to other acute trusts.

The results are based on responses from 418 staff which represents a small decrease in response rate from 56% last year to 50% this year; however this response rate remains in the highest 20% of acute trusts in England.

The results for the key findings of the Staff Survey which most closely relate to quality of care are shown in the table below.

UHB performed in the highest (best) 20% of trusts for

- Staff satisfaction with the quality of work and patient care they are able to deliver (see Question 1 below).
- Percentage of staff agreeing their role makes a difference to patients (see Question 2 below).
- Staff recommending the Trust as a place to work or receive treatment (see Question 3 below).

In the previous report (2014), the Trust was in the lowest (worst) 20% of trusts reporting errors, near misses or incidents witnessed in the last month (see Question 4 in the table below). This did not accord with the Trust's high incident reporting rate and the high percentage of no harm incidents reported (see indicators 4(a) and 4(c) in section 3.1 of this report). UHB continued to encourage staff to report all incidents including minor incidents and near misses, and the results for 2015 have improved from 83% to 92%, putting UHB above average compared to other acute trusts.

Key Finding from Staff Survey	2013/14	2014/15	2015/16	Comparison with other acute NHS trusts 2015/16
1. Percentage of staff feeling satisfied with the quality of work and patient care they are able to deliver (KF2)	85%	82%	NA	NA
1. Staff satisfaction with the quality of work and patient care they are able to deliver (KF2)	NA	NA	4.16	Highest (best) 20%
2. Percentage of staff agreeing their role makes a difference to patients (KF3)	94%	90%	93%	Highest (best) 20%
3. Staff recommendation of the trust as a place to work or receive treatment (KF1)	4.04	3.96	4.02	Highest (best) 20%
4. Percentage of staff reporting errors, near misses or incidents witnessed in the last month (KF29)	86%	83%	92%	Above (better than) average
5. Effective use of patient / service user feedback (KF32)	NA	3.76	3.77	Highest (best) 20%
6. Percentage of staff experiencing harassment, bullying or abuse from staff in the last 12 months (KF26) (Lower score is better)	23%	22%	27%	Average
7. Percentage of staff believing that the trust provides equal opportunities for career progression or promotion (KF21)	92%	88%	88%	Above (better than) average
Time period & data source	Trust's 2013 Staff Survey Report, NHS England	Trust's 2014 Staff Survey Report, NHS England	Trust's 2015 Staff Survey Report, NHS England	

Notes on staff survey

1: The scoring method changed in 2015/16 to a score (1–5) instead of a percentage – both have been displayed for completeness

1 & 3: Possible scores range from 1 to 5, with a higher score indicating better performance.

5: This was a new question for the 2014 Staff Survey.

3.6 Specialty Quality Indicators

The Trust's Quality and Outcomes Research Unit (QuORU) was set up in September 2009. The unit has linked a wide range of information systems together to enable different aspects of patient care, experience and outcomes to be measured and monitored. The unit continues to provide support to clinical staff in the development of innovative quality indicators with a focus on research. In August 2012, the Trust implemented a framework based on a statistical model for handling potentially significant changes in performance and identifying any unusual patterns in the data. The framework has been used by the Quality and Informatics teams to provide a more rigorous approach to quality improvement and to direct attention to those indicators which may require improvement.

Performance for a wide selection of the quality indicators developed by clinicians, Health Informatics and the Quality and Outcomes Research Unit has been included in the Trust's annual Quality Reports. The selection included for 2015/16 includes 69 indicators covering the majority of clinical specialties and performance for the past three financial years is included in a separate appendix on the Quality web pages: <http://www.uhb.nhs.uk/quality.htm>

The Trust's clinical and management teams improved performance for 21% of the indicators during 2015/16 with support from the Quality and Informatics teams. Performance for 66% stayed about the same (including 7 indicators which were already scoring the maximum and continued to do so). Performance for 13% of the indicators deteriorated during 2015/16. The remaining 2 indicators do not yet have any data for 2015/16 so cannot be compared to 2014/15 performance. The majority of the 69 indicators have a goal; 63% of those with a goal met them in 2015/16, compared to 54% in 2014/15.

Table 1 shows performance for selected specialty quality indicators where the most notable improvements have been made during 2015/16. The Dermatology indicator has improved greatly since the 2014/15 report and is now performing well above the goal. The data has been checked by the appropriate clinical staff to ensure it accurately reflects the quality of care provided.

Table 2 shows performance for selected indicators where performance has deteriorated during 2015/16.

Performance for the remaining indicators can be viewed on the Quality web pages: <http://www.uhb.nhs.uk/quality.htm>.

Table 1

Speciality	Indicator	Goal	Percentage Apr 13 – Mar 14	Percentage Apr 14 – Mar 15	Numerator Apr 15 – Mar 16	Denominator Apr 15 – Mar 16	Percentage Apr 15 – Mar 16	Data Sources
Stroke Medicine	In hospital mortality following stroke	< 20%	NA*	8.5%	27	535	5.0%	<ul style="list-style-type: none"> SSNAP
Dermatology	Suspected cancer cases seen within 2 weeks by a Consultant	> 93%	97.9%	83.2%	2474	2501	98.9%	<ul style="list-style-type: none"> Lorenzo PICS
Imaging	Outpatients who have report turnaround time of less than or equal to 14 days for MRI	> 75%	NA*	79.0%	20749	24154	85.9%	<ul style="list-style-type: none"> CRIS

Table 2

Speciality	Indicator	Goal	Percentage Apr 13 – Mar 14	Percentage Apr 14 – Mar 15	Numerator Apr 15 – Mar 16	Denominator Apr 15 – Mar 16	Percentage Apr 15 – Mar 16	Data Sources
Colorectal Surgery	Clexane medication after elective colorectal surgery (excluding day cases)	> 95%	89.2%	94.2%	203	225	90.2%	<ul style="list-style-type: none"> Lorenzo PICS
Heart Failure	Patients with a primary diagnosis of acute heart failure who had an echocardiogram (ECHO) within 3 months prior to discharge, or 1 month post discharge	100%	67.4%	67.4%	471	762	61.8%	<ul style="list-style-type: none"> Lorenzo PICS PRISM
Surgery – Emergency	Perianal abscess operations should take place on the day of admission or the next day	> 90%	85.8%	94.4%	95	114	83.3%	<ul style="list-style-type: none"> Lorenzo

* data not available for 2013/14 as methodology updated for 2014/15 onwards, so results not directly comparable

3.7 Sign Up to Safety

The national *Sign up to Safety* campaign was launched in 2014 and aims to make the NHS the safest healthcare system in the world. The ambition is to halve avoidable harm in the NHS over the next three years. Organisations across the NHS have been invited to join the *Sign up to Safety* campaign and make five key pledges to improve safety and reduce avoidable harm. UHB joined the campaign in November 2014 and made the following five *Sign up to Safety* pledges:

1. Put safety first

Commit to reduce avoidable harm in the NHS by half and make public the goals and plans developed locally.

We will:

- reduce medication errors due to missed drug doses.
- improve monitoring of deteriorating patients through completeness of observation sets.
- reduce hospital acquired grade 3 and 4 pressure ulcers.
- reduce harm from falls.

2. Continually learn

Make their organisations more resilient to risks, by acting on the feedback from patients and by constantly measuring and monitoring how safe their services are.

We will:

- better understand what patients are telling about us about their care through continuous local patient surveys, complaints and compliments.
- review the Clinical Dashboard to ensure clinical staff have the performance and safety information they need to improve patient care.

3. Honesty

Be transparent with people about our progress to tackle patient safety issues and support staff to be candid with patients and their families if something goes wrong.

We will:

- improve staff awareness and compliance with the Duty of Candour.
- communicate key safety messages through regular staff open meetings and Team Brief.

- make patients and the public aware of safety issues and what the Trust is doing to address them.

4. Collaborate

Take a leading role in supporting local collaborative learning, so that improvements are made across all of the local services that patients use.

We will:

- work closely with our partners to:
 - make improvements for patients in relation to mental health and mental health assessment.
 - develop clearer and simpler pathways around delayed transfers of care, safeguarding, end of life care and falls.
 - implement electronic solutions such as the 'Your Care Connected' project to improve patient safety by sharing key information.

5. Support

Help people understand why things go wrong and how to put them right. Give staff the time and support to improve and celebrate the progress.

We will:

- improve the learning and feedback provided to staff from complaints and incident reporting.
- enable Junior Doctors to understand how they are performing and how they can improve in relation to key safety issues such as VTE prevention through the Junior Doctor Monitoring System.
- recognise staff contribution to patient safety through the Best in Care awards.

UHB's Sign Up to Safety action plan can be found on the Trust intranet: <http://www.uhb.nhs.uk/sign-up-to-safety.htm>

Further information about Sign Up to Safety can be found on the NHS England website: <http://www.england.nhs.uk/signuptosafety/>

3.8 Duty of Candour

When a patient has been affected by an incident, staff have a duty to inform the patient and/or their relatives or carers as appropriate, of what happened, to provide reasonable support and an apology when things go wrong. This is known as Duty of Candour and ensures trusts are open and transparent with patients, relatives and carers.

When these conversations take place at UHB, staff complete a form including the patient's details, where the incident occurred, what happened and details of the conversation. These forms are logged against the Trust-wide Duty of Candour tracker, which is monitored by the Clinical Risk & Compliance department, and also contains information on actions taken. If an incident has led to further investigation then details of the investigation will also be recorded.

The Duty of Candour process at UHB was audited by Birmingham CrossCity CCG in January 2016 and the process was deemed compliant and the tracker content was deemed to be of a high standard.

The Trust is planning to use the incident reporting system, Datix, to record Duty of Candour information against specific incidents in the future. Datix has been reviewed to ensure that it can record the information currently captured by the Duty of Candour forms. An education scheme is being planned to ensure all staff receive the appropriate training before this is launched. The Duty of Candour / Being Open Policy will be reviewed to reflect the new processes.

3.9 Glossary of Terms

Term	Definition
A&E	Accident & Emergency – also known as the Emergency Department
Acute Trust	An NHS hospital trust that provides secondary health services within the English National Health Service
Administration	When relating to medication, this is when the patient is given the tablet, infusion or injection. It can also mean when anti-embolism stockings are put on a patient.
Alert organism	Any organism which the Trust is required to report to Public Health England
Analgesia	A medication for pain relief
Bacteraemia	Presence of bacteria in the blood
Bed days	Unit used to calculate the availability and use of beds over time
Benchmark	A method for comparing (e.g.) different hospitals
Betablockers	A class of drug used to treat patients who have had a heart attack, also used to reduce the chance of heart attack during a cardiac procedure
Birmingham Health & Social Care Overview Scrutiny Committee	A committee of Birmingham City Council which oversees health issues and looks at the work of the NHS in Birmingham and across the West Midlands
CABG	Coronary artery bypass graft procedure
CCG	Clinical Commissioning Group
CDI	<i>C. difficile</i> infection
Clinical Audit	A process for assessing the quality of care against agreed standards
Clinical Coding	A system for collecting information on patients' diagnoses and procedures
Clinical Dashboard	An internal website used by staff to measure various aspects of clinical quality
Clinical Quality Committee	A committee led by the Trust's Chairman which reviews clinical quality in detail
Commissioners	See CCG
Congenital	Condition present at birth
Contraindication	A condition which makes a particular treatment or procedure potentially inadvisable
CQC	Care Quality Commission
CQG	Care Quality Group; a UHB group chaired by the Chief Nurse, which assesses the quality of care, mainly nursing
CQMG	Clinical Quality Monitoring Group; a UHB group chaired by the Executive Medical Director, which reviews the quality of care, mainly medical
CQUIN	Commissioning for Quality and Innovation payment framework
CRIS	Radiology database
Datix	Database used to record incident reporting data
Day case	Admission to hospital for a planned procedure where the patient does not stay overnight
DCQG	Divisional Clinical Quality Group - the divisional subgroups of the CQMG
Deloitte	UHB's external auditors
Division	Specialties at UHB are grouped into Divisions
Echo / echocardiogram	Ultrasound imaging of the heart
ED	Emergency Department (previously called Accident and Emergency Department)
Elective	A planned admission, usually for a procedure or drug treatment

Term	Definition
Episode	The time period during which a patient is under a particular consultant and specialty. There can be several episodes in a spell
FCE	Finished/Full Consultant Episode - the time spent by a patient under the continuous care of a consultant
Foundation Trust	Not-for-profit, public benefit corporations which are part of the NHS and were created to devolve more decision-making from central government to local organisations and communities.
GI	Gastro-intestinal
GP	General Practitioner
HCS	Healthcare Commissioning Services
Healthwatch Birmingham	An independent group who represent the interests of patients and the public.
HES	Hospital Episode Statistics
HSCIC	Health and Social Care Information Centre
HSMR	Hospital Standardised Mortality Ratio
ICNARC	Intensive Care National Audit & Research Centre
Informatics	UHB's team of information analysts
IT	Information Technology
ITU	Intensive Treatment Unit (also known as Intensive Care Unit, or Critical Care Unit)
Lorenzo	Patient administration system
MINAP	Myocardial Ischaemia National Audit Project
Monitor	Independent regulator of NHS Foundation Trusts
Mortality	A measure of the number of deaths compared to the number of admissions
MRI	Magnetic Resonance Imaging – a type of diagnostic scan
MRSA	Meticillin-resistant Staphylococcus aureus
Myocardial Infarction	Heart attack
mystay@QEHB	An online system that allows patients to view information / indicators on particular specialties
NaDIA	National Diabetes Inpatient Audit
NBOCAP	National Bowel Cancer Audit Programme
NCAA	National Cardiac Arrest Audit
NCEPOD	National Confidential Enquiry into Patient Outcome and Death - a national review of deaths usually concentrating on a particular condition or procedure
NHS	National Health Service
NHS Choices	A website providing information on healthcare to patients. Patients can also leave feedback and comments on the care they have received
NIHR	National Institute for Health Research
NRLS	National Reporting and Learning System
Observations	Measurements used to monitor a patient's condition e.g. pulse rate, blood pressure, temperature
PALS	Patient Advice and Liaison Service
Patient Opinion	A website where patients can leave feedback on the services they have received. Care providers can respond and provide updates on action taken.

Term	Definition
Peri-operative	Period of time prior to, during, and immediately after surgery
PHE	Public Health England
PICS	Prescribing Information and Communication System
Plain imaging	X-ray
PRISM	Cardiology System which records information on ECGs and Echoes
PROMs	Patient Reported Outcome Measures
Prophylactic / prophylaxis	A treatment to prevent a given condition from occurring
QEHB	Queen Elizabeth Hospital Birmingham
QuORU	Quality and Outcomes Research Unit
R&D	Research and Development
RCA	Root cause analysis
Readmissions	Patients who are readmitted after being discharged from hospital within a short period of time e.g., 28 days
Safeguarding	The process of protecting vulnerable adults or children from abuse, harm or neglect, preventing impairment of their health and development
SEWS	Standardised Early Warning System
SHMI	Summary Hospital Mortality Indicator
Spell	The time period from a patient's admission to hospital to their discharge. A spell can consist of more than one episode if the patient moves to a different consultant and/or specialty.
SSNAP	Sentinel Stroke National Audit Programme
TARN	Trauma Audit and Research Network
Trajectory	In infection control, the maximum number of cases expected in a given time period
Trust apportioned	A case (e.g. MRSA or CDI) that is deemed as 'belonging' to the Trust in question
Trust Partnership Team	Attendees include Staff Side (Trade Union representatives), Directors, Directors of Operations and Human Resources staff. The purpose of this group is to provide a forum for Staff Side to hear about and raise issues about the Trust's strategic and operational plans, policies and procedures.
TVS	Tissue Viability Service
UHB	University Hospitals Birmingham NHS Foundation Trust
VTE	Venous thromboembolism – a blood clot

Appendix A: Performance against core indicators

The Trust's performance against the national set of quality indicators jointly proposed by the Department of Health and Monitor is shown in the tables below. There are eight indicators which are applicable to acute trusts. The data source for all the indicators is the Health and Social Care Information Centre (HSCIC) which has only published data for part of 2014/15 for some of the indicators. Data for the latest two time periods is therefore included for each indicator and is displayed in the same format as the HSCIC. National comparative data is included where available. Further information about these indicators can be found on the HSCIC website: www.hscic.gov.uk

For indicator 3 below, the data available on the HSCIC website below has not been updated since the 2014/15 Quality Accounts, so the information presented is the same.

1 Mortality

	Previous Period (October 2013– September 2014)	Current period (October 2014–September 2015)			Comment
		UHB	Overall	National performance Best Worst	
(a) Summary Hospital-level Mortality Indicator (SHMI) value	1.01	1.02	—	0.65 1.17	The Trust considers that this data is as described for the following reasons as this is the latest available on the HSCIC website.
(a) SHMI banding	2	2	—	3 1	The Trust intends to take the following actions to improve this indicator, and so the quality of its services, by continuing with the technical approach UHB takes to improving quality detailed in this report. The Trust does not specifically try to reduce mortality as such but has robust processes in place, using more recent data, for monitoring mortality as detailed in Part 3 of this report. It is important to note that palliative care coding has no effect on the SHMI.
(b) Percentage of patient deaths with palliative care coded at diagnosis or speciality level	31.6	26.4	—	0.18 53.5	

2 Patient Reported Outcome Measures (PROMs) – Average Health Gain

	Previous Period (April 2014 – March 2015)		Current period (April – September 2015)			Comment
	UHB	UHB	UHB	National performance		
				Overall	Best	
(i) Groin hernia surgery	0.069	0.080	0.087	0.135	0.008	<p>The Trust considers that this data is as described for the following reasons as it is the latest available on the HSCIC website.</p> <p>The Trust intends to take the following actions to improve this data, and so the quality of its services, by continuing to focus on improving participation rates for the pre-operative questionnaires which we have control over. Participation is shown in Part 2 as part of the audit section of this report. Figures for UHB for Varicose Vein Surgery are not available as insufficient responses were received.</p>
(ii) Varicose vein surgery	—	—	0.103	0.129	0.037	
(iii) Hip replacement surgery	Not applicable to UHB					
(iv) Knee replacement surgery	Not applicable to UHB					

3 Readmissions to hospital within 28 days

	Previous Period (April 2010 – March 2011)*	UHB	Current period (April 2011 – March 2012)*				Comment
			UHB	National performance			
				Overall (England)	Best (Acute Teaching Providers)	Worst (Acute Teaching Providers)	
(i) Patients aged 0-15 readmitted to a hospital which forms part of the trust within 28 days of being discharged from a hospital which forms part of the trust (Standardised percentage)	—	—	10.01	5.86	12.50	The Trust considers that this data (standardised percentages) is as described for the following reasons as this is the latest available on the HSCIC website. UHB is however unable to comment on whether it is correct as it is not clear how the data has been calculated.	
(ii) Patients aged 16 or over readmitted to a hospital which forms part of the trust within 28 days of being discharged from a hospital which forms part of the trust (Standardised percentage)	11.60	11.54	11.45	10.64	13.55	The Trust intends to take the following actions to improve this data (standardised percentages), and so the quality of its services, by continuing to review readmissions which are similar to the original admission on a quarterly basis. UHB monitors performance for readmissions using more recent Hospital Episode Statistics (HES) data as shown in Part 3 of this report. 3(i) is not applicable to UHB as the Trust does not provide a Paediatrics service.	

* The Trust has included the latest data available on the HSCIC website.

4 Responsiveness to the personal needs of patients

	Previous Period (2013/14)	Current period (2014/15)			Comment
		UHB	Overall	National performance Best Worst	
Trust's responsiveness to the personal needs of its patients – average weighted score of 5 questions from the National Inpatient Survey (Score out of 100)	UHB 72.2	UHB 72.0	68.9	86.1 59.1	<p>The Trust considers that this data is as described for the following reasons as it is the latest available on the HSCIC website. It is pleasing to note that UHB continues to improve patient experience in the National Inpatient Survey.</p> <p>The Trust intends to take the following actions to improve this data, and so the quality of its services, by continuing to collect real-time feedback from our patients as part of our local patient survey. The Board of Directors has again selected improving patient experience and satisfaction as a Trust-wide priority for improvement in 2015/16 (see Part 2 of this report for further details).</p>

5 Staff who would recommend the trust as a provider of care to their family and friends

	Previous Period (2014)	Current period (2015)		Comment
		UHB	National performance Average (median) for acute trusts	
Staff employed by, or under contract to, the Trust who would recommend the Trust as a provider of care to their family or friends.	UHB 82%	UHB 82%	70%	<p>The Trust considers that this data (scores) is as described for the following reasons as it is the latest available on the HSCIC website and performance for 2014 is consistent with 2013.</p> <p>The Trust intends to take the following actions to improve this data, and so the quality of its services, by trying to maintain performance for this survey question.</p>

6 Venous thromboembolism (VTE) risk assessment

	Previous Period (Q2 2015/16)		Current period (Q3 2015/16)			Comment
	UHB		UHB	National performance		
			Overall	Best	Worst	
Percentage of admitted patients risk-assessed for VTE	UHB	99.4%	99.5%	100%	78.5%	<p>The Trust considers that this data (percentages) is as described for the following reasons as UHB has consistently performed above the national average for the past few years.</p> <p>The Trust intends to take the following actions to improve this data, and so the quality of its services, by continuing to ensure our patients are risk assessed for venous thromboembolism (VTE) on admission.</p>

7 C. difficile infection

	Previous Period (2013/14)		Current period (2014/15)			Comment
	UHB		UHB	National performance		
			Overall (England)	Best	Worst	
C. difficile infection rate per 100,000 bed-days (patients aged 2 or over)	UHB	21.9	17.7	0	62.2	<p>The Trust considers that this data is as described for the following reasons as it is the latest available on the HSCIC website.</p> <p>The Trust intends to take the following actions to improve this rate, and so the quality of its services, by continuing to reduce C. difficile infection through the measures outlined for <i>Priority 5: Infection prevention and control</i> in this report.</p>

8 Patient Safety Incidents

Since the 2014/15 report, the rate for this indicator has changed to 'per 1000 bed days' from 'per 100 admissions'.

	Previous Period (April – September 2014)	Current period (October 2014 – March 2015)			Comment	
		UHB	National Performance (Acute Teaching Providers)			
			Overall	Best		Worst
Incident reporting rate per 1,000 bed days	37.1	11.0	—	3.6	108.5	The Trust considers that this data is as described for the following reasons as the data is the latest available on the HSCIC website. UHB is however unable to comment on whether it is correct as it is not clear how the numerator (incidents) and denominator (admissions) data has been calculated. The Trust intends to take the following actions to improve this data and so the quality of its services, by continuing to have a high incident reporting rate. The Trust routinely monitors incident reporting rates and the percentage of incidents which result in severe harm or death as shown in Part 3 of this report.
Number of patient safety incidents that resulted in severe harm or death	12	11	—	0	128	
Rate of patient safety incidents that resulted in severe harm or death rate per 1,000 bed days	0.06	0.06	—	0.00	0.12	

Section 3 | Quality Report

Annex 1: Statements from commissioners, local Healthwatch organisations and Overview and Scrutiny Committees

The Trust has shared its 2015/16 Quality Report with Birmingham CrossCity Clinical Commissioning Group, Healthwatch Birmingham and Birmingham Health & Social Care Overview and Scrutiny Committee.

Birmingham CrossCity Clinical Commissioning Group, Healthwatch Birmingham and Birmingham Health & Social Care Overview and Scrutiny Committee have reviewed the Trust's Quality Report for 2015/16 and provided the statements below.

Statement provided by Birmingham CrossCity Clinical Commissioning Group

**University Hospitals Birmingham
NHS Foundation Trust**

Quality Account 2015/16

**Statement of Assurance from Birmingham CrossCity
CCG May 2016**

1.1 As coordinating commissioner Birmingham CrossCity Clinical Commissioning Group (BCC CCG) has welcomed the opportunity to provide this statement for the University Hospitals Birmingham NHS Foundation Trust (UHB) Quality Account for 2015/16. The review of this Quality Account has been undertaken in accordance with the Department of Health guidance and Monitor's requirements, and the statement of assurance has been developed in consultation with neighbouring CCGs, NHS England (West Midlands) and the Birmingham CrossCity CCG People's Health Panel.

1.2 The report accurately outlines the structures and frameworks around safeguarding which the Trust has put in place. However, it does not fully reflect or emphasise the work it is delivering around the 'Making Safeguarding Personal' agenda and to support staff in delivering person centred practice. We are aware that the Trust has reconfigured and strengthened its dedicated safeguarding resource and is committed to approaching safeguarding as an integrated 'think family' model rather than separate silos for adults and children.

1.3 The Trust reported 4 never events to commissioners during 2015–16 (not the 5 contained in the report); whilst one incident occurred in March 2015 it was reported in April 2016. The Patient Safety Indicators table requires amending.

1.4 There is a defined rationale for the selection of improvement priorities, and it is evident that patients and

governors have been consulted as part of that process. The account is also very clear about the background to the priorities and the performance in 2015/16.

1.5 It has been noted, however, that for the past five years' Quality Accounts the priorities have included 'improved patient experience and satisfaction', 'reduce medication errors', 'infection prevention and control' and a priority around 'observations'. Whilst it is appreciated that an improvement priority may need more than one year to embed and show progress, and that the focus each year may have moved it is disappointing that the Trust has not identified any new priorities.

1.6 The Trust is commended on its comprehensive approach to measuring patient experience and there are some good examples of initiatives implemented during 2015/16. It has been noted that the questions in the Local Patient surveys are changed each year, with those achieved being removed from the survey; assurance is required on how the Trust maintains those standards.

1.7 The Trust's approach to learning from complaints and taking action is comprehensive and demonstrates a real commitment to improving patient experience and outcomes.

1.8 It is recommended that the Trust reports on and sets targets against 'avoidable missed doses', excluding those doses refused by patients (which can be clinically acceptable i.e. the patient does not need a painkiller).

1.9 It would have been expected that the account would contain information on how the Trust is progressing on the reduction of serious harms due to medication errors.

1.10 The opportunity to involve and educate patients on the importance of completing courses of antibiotics could have been included in the Trust's initiatives and supported the achievement of their avoidable missed doses target.

1.11 It is pleasing to note the progress made by the Trust in achieving a significant reduction in grade 2 pressure ulcers (non-device-related) in 2015/16 (79 down from 144 in previous year, against a target of 132) and we look forward to further reductions in 2016/17.

1.12 An explanation for the rise in MRSA Bacteraemia and *Clostridium difficile* infection has not been provided and so it is unclear if the new initiatives for 2016/17 are based on learning from 2015/16 cases.

1.13 The vast majority of the account is well presented, structured and reader friendly, with a glossary helpfully included. The exceptions being the use of technical language, for example when referring to the action undertaken by the Care Quality Commission (CQC). This section needs to be more explicit to ensure that patients and the public know exactly why the CQC placed two conditions on the Trust's registration following a focused inspection to cardiac surgery, and what action is being taken to address the issues. Other improvements could include considering a reduction in the amount of information on internal processes and groups and ensuring that all tables and graphs are labelled and accompanied by an explanatory narrative.

1.14 It was pleasing to read that performance was average or better for 30 of the key findings of the NHS Staff Survey; the account could have been enhanced by provision of information on what actions are to be undertaken as a result of the survey and inclusion of details of the two areas which were below average would have increased transparency of this report.

1.15 An omission has been noted in the table containing the list of inspections/visits – a joint BCC CCG and Birmingham South Central CCG visit to a number of wards was carried out on 12th November 2015.

1.16 It is positive to note that staff achievements are celebrated in the publication, in particular the work completed by the Tissue Viability team for the Royal College of Nursing and the Health Service Journal.

1.17 It is also positive to note the changes that the new discharge lounge has provided for patients, providing a quiet and calm environment and access to a Pharmacist to give the important details of medications on discharge.

1.18 It is interesting to read that the Communication Skills Task and Finish Group completed its remit and have published the Trust's Communication Behaviours and the CommunicatingWell@UHB electronic information and training resource, more information on what this actually means in practice would be useful to the reader and further celebrate this achievement.

1.19 Really encouraging was the positive quotes sent from patients within the compliments section, this may be more reader friendly if they were presented pictorially such as within speech bubbles.

Barbara King

Accountable Officer

Birmingham CrossCity Clinical Commissioning Group

Statement provided by Healthwatch Birmingham

Comment from Healthwatch Birmingham regarding the University Hospital Birmingham NHS Foundation Trust Quality Account 2015/16

17 May 2016

University Hospitals Birmingham NHS Foundation Trust

Thank you for sending us a draft copy of University Hospital Birmingham NHS Foundation Trust Quality Account 2015/16.

At Healthwatch Birmingham we are passionate about putting patients, public, service users and carers (PPSuC) at the heart of service improvement in health and social care in the City of Birmingham. In line with our new strategy, we are focused on helping drive continuous improvement in patient and public involvement (PPI) and patient experience. We also seek to champion health equity so that PPSuC consistently receive care which meets their individual and collective needs. We have therefore focused our comments on aspects of the Quality Account which are particularly relevant to these issues.

Local Surveys and FFT

The draft Quality Account shows the Trust is using a diversity of tools to understand patient experience. This includes: the local inpatient, emergency departments, outpatient and discharge surveys; the Friends and Family Test (FFT); and complaints and compliments. It is excellent to see the Trust analysing evidence from all these sources in its Quality Account, and using this analysis to inform its actions going forward. We also support the use of 'governor drop ins' in inpatient and outpatient settings as an additional way of understanding patient experience at the Trust. Whilst patient surveys are an important way of gauging experience across the patient population, it is important to supplement this with more qualitative information. It is therefore heartening that Governors at the Trust directly interact with patients and visitors to understand their experiences, and we hope to see this type of initiative continue.

With regards to the local inpatient, outpatient, emergency department and discharge survey results, we note that the Trust has achieved 6 of its 13 targets and has carried over the remaining 7. It is positive to see that none of the scores for the 13 indicators have gone down since last year. It is also good to see that, where the Trust has achieved its targets, it is introducing new questions based on feedback received from patients. We also appreciate the Trust providing a clear account of its methodology, improvement targets, and how progress is monitored.

With regards to the Friends and Family Test (FFT), it is disappointing to see that the Trust's score for A&E has decreased over the course of the year. However, we note that the Trust's score remains around the national average, and above the NHS England West Midlands region average. We also note that the inpatient FFT has remained stable over the year, whilst the outpatient FFT score has increased.

As mentioned previously, one of Healthwatch Birmingham's focuses is on promoting health equity in the City. In next year's Quality Account we would value any information on how the Trust has monitored and improved the experience of 'hard to reach groups' (e.g. people with learning disabilities, people with mental health problems, minority ethnic groups etc.).

Patient experience initiatives

We congratulate the Trust on all of the patient experience initiatives that have been implemented over the past year. For example, it is excellent to read that the Trust is running ward/ departmental workshop based teaching on patient experience, has launched a CommunicatingWell@UHB electronic information and training resource, and has taken steps to make the Trust a more pleasant environment for patients. We are also happy to see a large number of initiatives planned for the coming year, such as the implementation of patient stories as a feedback and training mechanism, the use of a more focused approach to tackle challenging aspects of patient experience, and improved information for patients and visitors. We look forward to learning about the success of these initiatives in next year's Quality Account.

Complaints and compliments

We are happy to see an in-depth consideration of the complaints the Trust has received over the course of the year. It is heartening to see examples of where the Trust made changes in response to complaints around cancellations, communications and discharge. It is also good to receive information on the compliments received by the PALs and Patient Experience teams. We would

particularly like to congratulate the Trust on the number of compliments given about nursing care and treatment received.

Whilst it is useful to be provided with information on the volume of complaints the Trust has received, we would caution the Trust against placing too much emphasis on the extent to which complaints have decreased. Whilst a decrease in complaints can be indicative of improvements in care and experience, this is not necessarily the case. Across the country many patients who have had negative experiences do not feed this back. When this happens, important opportunities to listen and improve services are lost. We would therefore ask the Trust to regularly review its complaints system to ensure it is accessible to all patients, including seldom heard and 'hard to reach' groups. If this already takes place at the Trust, we would value more information on this in the Quality Account.

Patient and Public Involvement (PPI)

Whilst the draft Quality Account provided to us provides ample detail on how patient feedback is gathered at the Trust, there is limited information on how the Trust engages and involves PPSuC when developing or redesigning services. We would therefore value more detail on this in the Quality Account.

CQC and never events

It is concerning to see that the CQC has taken enforcement action against the Trust during 2015/16 as a result of a focused inspection to Cardiac Surgery. It is also concerning that there were five never events at the Trust in 2015/16. We hope to see improvements in respect to these two areas next year.

Thank you again for giving us the opportunity to review the Trust's Quality Account.

Yours Sincerely

Jane Upton PhD
Head of Evidence

Statement provided by Birmingham Health & Social Care Overview and Scrutiny Committee

The Birmingham Health & Social Care Overview and Scrutiny Committee has confirmed that it is not in a position to provide a statement on the 2015/16 Quality Report.

Section 3 | Quality Report

Annex 2: Statement of directors' responsibilities for the quality report

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations to prepare quality accounts for each financial year.

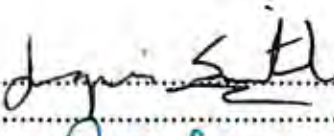

Monitor has issued guidance to NHS foundation trust boards on the form and content of annual quality reports (which incorporate the above legal requirements) and on the arrangements that foundation trust boards should put in place to support the data quality for the preparation of the quality report.

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

- the content of the Quality Report meets the requirements set out in the NHS Foundation Trust Annual Reporting Manual 2015/16 and supporting guidance
- the content of the Quality Report is not inconsistent with internal and external sources of information including:
 - board minutes and papers for the period April 2015 to May 2016
 - papers relating to Quality reported to the Board over the period April 2015 to May 2016
 - feedback from the commissioners dated 25/05/2016
 - feedback from governors dated 16/02/2016
 - feedback from local Healthwatch organisations dated 17/05/2016
 - feedback from Overview and Scrutiny Committee dated 26/04/2016
 - the trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 26/04/2016
- the 2015 national patient survey (not due to be published until 08/06/2016)
- the 2015 national staff survey 23/02/2016
- the Head of Internal Audit's annual opinion over the trust's control environment dated 23/05/2016
- CQC Intelligent Monitoring Report dated May 2015
- the Quality Report presents a balanced picture of the NHS foundation trust's performance over the period covered
- the performance information reported in the Quality Report is reliable and accurate
- there are proper internal controls over the collection and reporting of the measures of performance included in the Quality Report, and these controls are subject to review to confirm that they are working effectively in practice
- the data underpinning the measures of performance reported in the Quality Report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review and
- the Quality Report has been prepared in accordance with Monitor's annual reporting manual and supporting guidance (which incorporates the Quality Accounts regulations) (published at www.monitor.gov.uk/annualreportingmanual) as well as the standards to support data quality for the preparation of the Quality Report (available at www.monitor.gov.uk/annualreportingmanual).

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

By order of the board

23rd May 2016	Date		Chairman
23rd May 2016	Date		Chief Executive

Annex 3: Independent Auditor's Report on the Quality Report

Independent auditor's report to the Council of Governors of University Hospitals Birmingham NHS Foundation Trust on the quality report

We have been engaged by the Council of Governors of University Hospitals Birmingham NHS Foundation Trust to perform an independent assurance engagement in respect of University Hospitals Birmingham NHS Foundation Trust's quality report for the year ended 31 March 2016 (the 'Quality Report') and certain performance indicators contained therein.

This report, including the conclusion, has been prepared solely for the Council of Governors of University Hospitals Birmingham NHS Foundation Trust as a body, to assist the Council of Governors in reporting University Hospitals Birmingham NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2016, to enable the Council of Governors to demonstrate that they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicators. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors as a body and University Hospitals Birmingham NHS Foundation Trust for our work or this report, except where terms are expressly agreed and with our prior consent in writing.

Scope and subject matter

The indicators for the year ended 31 March 2016 subject to limited assurance consist of the national priority indicators as mandated by Monitor:

- 18-week maximum wait from point of referral to treatment (incomplete pathways); and
- Maximum waiting time of four hours in A&E from arrival to admission, transfer or discharge.

We refer to these national priority indicators collectively as the 'indicators'.

Respective responsibilities of the directors and auditors

The directors are responsible for the content and the preparation of the quality report in accordance with the criteria set out in the 'NHS foundation trust annual reporting manual' issued by Monitor.

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:

- the quality report is not prepared in all material respects in line with the criteria set out in the 'NHS foundation trust annual reporting manual';
- the quality report is not consistent in all material respects with the sources specified below:
 - board minutes for the period April 2015 to March 2016;
 - papers relating to quality reported to the board over the period April 2015 to March 2016;
 - feedback from the Commissioners dated 25 May 2016;
 - feedback from the governors dated 16 February 2016;
 - feedback from local Healthwatch organisations, dated 17 May 2016;
 - feedback from Overview and Scrutiny Committee, dated 26 April 2016;
 - the Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 26 April 2016;

- the national staff survey dated 23 February 2016;
 - Care Quality Commission Intelligent Monitoring Report dated May 2016;
 - the Head of Internal Audit's annual opinion over the Trust's control environment dated 19 May 2016; and
 - any other information included in our review.
- the indicators in the quality report identified as having been the subject of limited assurance in the quality report are not reasonably stated in all material respects in accordance with the 'NHS foundation trust annual reporting manual' and the six dimensions of data quality set out in the 'Detailed guidance for external assurance on quality reports'.

We read the quality report and consider whether it addresses the content requirements of the 'NHS foundation trust annual reporting manual', and consider the implications for our report if we become aware of any material omissions.

We read the other information contained in the quality report and consider whether it is materially inconsistent with the documents listed above and specified in the detailed guidance for external assurance on Quality Reports (collectively the 'documents').

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the documents. Our responsibilities do not extend to any other information.

We are in compliance with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics. Our team comprised assurance practitioners and relevant subject matter experts.

Assurance work performed

We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('ISAE 3000'). Our limited assurance procedures included:

- Evaluating the design and implementation of the key processes and controls for managing and reporting the indicators;
- Making enquiries of management;
- Testing key management controls;
- Limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation;
- Comparing the content requirements of the 'NHS foundation trust annual reporting manual' to the categories reported in the quality report; and
- Reading the documents.

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

Limitations

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

The absence of a significant body of established practice on which to draw allows for the selection of different, but acceptable measurement techniques which can result in materially different measurements and can affect comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision of these criteria, may change over time. It is important to read the quality report in the context of the criteria set out in the 'NHS foundation trust annual reporting manual'.

The scope of our assurance work has not included testing of indicators other than the two mandated indicators, or consideration of quality governance.

Conclusion

Based on the results of our procedures, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2016:

- the quality report is not prepared in all material respects in line with the criteria set out in the 'NHS foundation trust annual reporting manual';
- the quality report is not consistent in all material respects with the sources specified in 2.1 of the Monitor 2015/16 Detailed guidance for external assurance on quality reports; and
- the indicators in the quality report subject to limited assurance have not been reasonably stated in all material respects in accordance with the 'NHS foundation trust annual reporting manual'.



Deloitte LLP
Chartered Accountants
Birmingham
United Kingdom
25 May 2016



This annual report covers the period
1 April 2015 to 31 March 2016

Section 4 **Consolidated Financial Statements 2015/2016**



University Hospitals Birmingham NHS Foundation Trust – Consolidated Financial Statements 2015/16

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Foreword to the Financial Statements

University Hospitals Birmingham NHS Foundation Trust

These financial statements for the year ended 31 March 2016 have been prepared by the University Hospitals Birmingham NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 to the National Health Service Act 2006 and are presented to Parliament pursuant to Schedule 7, paragraph 25 (4) (a) of the National Health Service Act 2006.

Signed 

Dame Julie Moore
Chief Executive

23 May 2016

Statement of the Chief Executive's responsibilities as the accounting officer of University Hospitals Birmingham NHS Foundation Trust

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

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

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

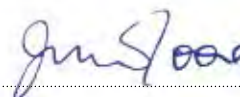
- Observe the Accounts Direction issued by Monitor, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the NHS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

- ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance; and
- prepare the financial statements on a going concern basis.

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

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

Signed



Dame Julie Moore
Chief Executive

23 May 2016

Independent Auditor's Report to the Board of Governors and Board of Directors of University Hospitals Birmingham NHS Foundation Trust

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS AND BOARD OF DIRECTORS OF UNIVERSITY HOSPITALS BIRMINGHAM NHS FOUNDATION TRUST

Opinion on financial statements of University Hospitals Birmingham NHS Foundation Trust	<p>In our opinion the financial statements:</p> <ul style="list-style-type: none">• give a true and fair view of the state of the Group's and Trust's affairs as at 31 March 2016 and of the Trust's income and expenditure for the year then ended;• have been properly prepared in accordance with the accounting policies directed by Monitor – Independent Regulator of NHS Foundation Trusts; and• have been prepared in accordance with the requirements of the National Health Service Act 2006. <p>The financial statements comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Taxpayers' Equity, the Consolidated Statement of Cash Flows and the related notes 1 to 34. The financial reporting framework that has been applied in their preparation is applicable law and the accounting policies directed by Monitor – Independent Regulator of NHS Foundation Trusts.</p>
Certificate	<p>We certify that we have completed the audit of the accounts in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice.</p>
Going concern	<p>We have reviewed the Accounting Officer's statement contained within the Annual Report that the Group is a going concern. We confirm that</p> <ul style="list-style-type: none">• we have concluded that the Accounting Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and• we have not identified any material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern. <p>However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.</p>
Independence	<p>We are required to comply with the Financial Reporting Council's Ethical Standards for Auditors and we confirm that we are independent of the Group and we have fulfilled our other ethical responsibilities in accordance with those standards. We also confirm we have not provided any of the prohibited non-audit services referred to in those standards.</p>
Our assessment of risks of material misstatement	<p>The assessed risks of material misstatement described below are those that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.</p>

Risk	How the scope of our audit responded to the risk
<p>NHS revenue and provisions</p> <p>There are significant judgements in recognition of revenue from care of NHS patients and in provisioning for disputes with commissioners due to:</p> <ul style="list-style-type: none"> the complexity of the Payment by Results regime, in particular in determining the level of overperformance and Commissioning for Quality and Innovation revenue to recognise; the judgemental nature of provisions for disputes and activity performance not yet settled, including in respect of outstanding overperformance income for quarters 3 and 4; and the risk of revenue not being recognised at fair value due to adjustments agreed in settling current year disputes and agreement of future year contracts. <p>The Group earns revenue from a wide range of commissioners, increasing the complexity of agreeing a final year-end position.</p> <p>This risk refers to revenue from patient care activities of £629m (2014/15: £614m) as shown in note 3 to the financial statements.</p>	<p>We evaluated the design and implementation of controls over recognition of Payment by Results income.</p> <p>We performed detailed substantive testing on a sample basis of the recoverability of overperformance income and adequacy of provision for underperformance through the year, and evaluated the results of the agreement of balances exercise.</p> <p>We challenged key judgements around specific areas of dispute and actual or potential challenge from commissioners and the rationale for the accounting treatments adopted. In doing so, we considered the historical accuracy of provisions for disputes and reviewed correspondence with commissioners,</p> <p>We reviewed the contract setting process for 2016/17 contracts, and considered whether, for material contracts, taken together with the settlement of current year disputes, there were any indicators of inappropriate adjustments in revenue recognised between periods.</p>
<p>Property valuations</p> <p>The Group holds property assets within Property, Plant and Equipment at a modern equivalent use valuation as set out in notes 1.5 and 1.28. The valuations are by nature significant estimates which are based on specialist and management assumptions (including the floor areas for a Modern Equivalent Asset, the basis for calculating build costs, the level of allowances for professional fees and contingency, and the remaining life of the assets) and which can be subject to material changes in value. As at 31 March 2016 these assets, being land,</p>	<p>We evaluated the design and implementation of controls over property valuations, and tested the accuracy and completeness of data provided by the Group to the Valuer.</p> <p>We used Deloitte internal valuation specialists to review and challenge the appropriateness of the key assumptions used in the valuation of the Group's properties, including benchmarking against revaluations performed by other Groups as at 31 March 2016.</p>

Risk	How the scope of our audit responded to the risk
<p>buildings and dwellings, are valued at £463m (2014/15: £452m) and are included in note 14.</p> <p>As detailed in note 14, the Group has for the first time included the assumption in the valuation of the 'Queen Elizabeth Hospital Birmingham' PFI hospital that a modern equivalent asset, which forms the basis of the valuation would be VAT recoverable and has therefore valued the building net of VAT rather than gross. This has resulted in an impairment of the asset of £17m.</p>	<p>We assessed the appropriateness of the exclusion of VAT from the valuation of the PFI hospital by considering VAT legislation alongside guidance from the regulator.</p> <p>We assessed whether the valuation and the accounting treatment of the impairment were compliant with the relevant accounting standards, and in particular whether impairments should be recognised in the Income Statement or in Other Comprehensive Income.</p>
<p>Financial sustainability</p>	
<p>The Trust operates in an increasingly financially constrained environment, with significant ongoing cost pressures from CIP requirements. The Trust is reporting an overall retained deficit of £19.7m for 2015/16.</p> <p>The Trust's assessment of going concern is set out in note 1, Accounting Policies. The retained deficit for the reported year has not resulted in a decrease in cash held, Trust cash balances have increased year on year. The Trust has for the subsequent financial year (2016/17) signed up to the NHS Sustainability and Transformation Fund and is committed to returning a small operating surplus. For this reason, it continues to adopt the going concern basis in preparing the accounts.</p>	<p>We reviewed the Trust's financial performance during the year and outturn position and challenged management's assessment of going concern.</p> <p>We reviewed documentation including board papers and the Trust's Board Assurance Framework to identify whether a robust diagnosis of the key issues has been made by the Trust.</p> <p>We reviewed the Trust's plans to recover the 2015/16 deficit, understanding and challenging management's arrangements to implement and govern the financial plan.</p>

Our report includes an additional risk, financial sustainability, which was not included in our report last year. This has been identified as a new risk in 2015/16, as a result of the declining financial performance and the recognition that the environment the Trust is operating in is becoming increasingly challenging.

The description of risks above should be read in conjunction with the significant issues considered by the Audit Committee discussed on page 44.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

We determined materiality for the Group to be £6.062m (2014/15: £5.866m), which is below 1% of revenue. Revenue was chosen as a benchmark as the Trust is a non-profit organisation, and revenue is a key measure of financial performance for users of the financial statements. This is an increase compared to 2014/15 due to the increased revenue for the year.

A lower materiality level was used for the testing of each component of the group. We determined materiality for the Trust to be £5.759m (2014/15: £5.573m).

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £121,000 (2014/15: £117,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Our group audit was scoped by obtaining an understanding of the Group and its environment, including group-wide controls, and assessing the risks of material misstatement at the Group level.

The focus of our audit work was on the Trust, with work performed at the Trust's head offices in Birmingham directly by the audit engagement team, led by the audit partner.

We performed specified audit procedures on the Trust's subsidiaries, Pharmacy@QEHB Limited, UHB Facilities Limited and Assure Dialysis Services Limited, where the extent of our testing was based on our assessment of the risks of material misstatement and the materiality of the subsidiaries to the Group.

Our audit covered all of the entities within the Group, which account for 100% of the Group's net assets, revenue and surplus.

Our audit work was executed at levels of materiality applicable to each individual entity which were lower than group materiality. The range of materialities used was £3.031m to £5.759m.

At the Group level we also tested the consolidation process.

The audit team included integrated Deloitte specialists bringing specific skills and experience in property valuations.

Opinion on other matters prescribed by the National Health Service Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the National Health Service Act 2006; and
- the information given in the Performance Report and the Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Annual Governance Statement, use of resources, and compilation of financial statements

Under the Code of Audit Practice, we are required to report to you if, in our opinion:

- the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual, is misleading, or is inconsistent with information of which we are aware from our audit;
- the NHS foundation trust has not made proper arrangements for securing economy, efficiency and effectiveness in its use of resources; or
- proper practices have not been observed in the compilation of the financial statements.

We have nothing to report in respect of these matters.

We are not required to consider, nor have we considered, whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

Our duty to read other information in the Annual Report

Under International Standards on Auditing (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements;
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group acquired in the course of performing our audit; or
- otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that we communicated to the audit committee which we consider should have been disclosed. We confirm that we have not identified any such inconsistencies or misleading statements.

Respective responsibilities of the accounting officer and auditor

As explained more fully in the Accounting Officer's Responsibilities Statement, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law, the Code of Audit Practice and International Standards on Auditing (UK and Ireland). We also comply with International Standard on Quality Control 1 (UK and Ireland). Our audit methodology and tools aim to ensure that our quality control procedures are effective, understood and applied. Our quality controls and systems include our dedicated professional standards review team and independent partner reviews.

This report is made solely to the Board of Governors and Board of Directors ("the Boards") of University Hospitals Birmingham NHS Foundation Trust, as a body, in accordance with paragraph 4 of Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Boards those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Boards as a body, for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accounting Officer; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Gus Miah (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Birmingham, United Kingdom
25 May 2016

Annual Governance Statement

1 Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of University Hospitals Birmingham NHS Foundation Trust's (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 that the Trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the NHS Foundation Trust Accounting Officer Memorandum.

2 The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of the Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Trust for the year ended 31 March 2016 and up to the date of approval of the annual report and accounts.

3 Capacity to handle risk

Overall responsibility for the management of risk within the Trust rests with the Board of Directors. Reporting mechanisms are in place to ensure that the Board of Directors receives timely, accurate and relevant information regarding the management of risks.

The Annual Plan sets out the Trust's principal aims for the year ahead. Each Executive Director has responsibility for identifying any risks that could compromise the Trust from achieving these aims. These strategic risks form the Board Assurance Framework (BAF). It maps out the key controls to manage the aims and provide the Board of Directors with sufficient assurance about the effectiveness of the controls and any gaps. Further detail is provided in the Procedure of the Assessment of Risks and Risk Registers.

The Audit Committee monitors and oversees both internal control issues and the process for risk management. Both the Internal Auditor and the External Auditor attend the Audit Committee meetings.

Both the Board of Directors and the Clinical Quality Committee (CQC) receive reports that relate to clinical risks.

All new staff joining the Trust are required to attend Corporate Induction which covers risk management. Nominated Managers (as defined in the Health & Safety Policy) attend the 'Managing Risks' course that covers the principles of risk assessment and the management of Risk Registers. The Trust's guidance document, available to all staff via the Trust's intranet ('Procedure for the Assessment of Risks and Management of Risk Registers'), sets out the processes for managing risk at all levels within the Trust. Risk Management is included, as appropriate, in Trust and Divisional Development programmes. It is incorporated into the Corporate, Consultant and Junior Doctor Induction programmes. Risk Management training is provided for nursing band 5 and 6 development programmes, Root Cause Analysis (RCA) training is provided to Senior Managers as identified in the Trust Training Needs Analysis. Ad-hoc training is also provided for divisional education development.

Learning from incidents, RCA and good practice is discussed at the Clinical Quality Monitoring Group and the Chief Executive's RCA Meeting that reports to the Board of Directors. Learning is fed back to the Divisions via the Divisional Clinical Quality Group Framework.

4 The risk and control framework

"The Board of Directors is responsible for the strategic direction of the Trust in relation to Risk Management. It is supported by the Audit Committee which provides assurance to the Board of Directors on risk management as identified in the Internal Audit Programme. In addition, the Trust Executive and Non-Executive Directors carry out unannounced Board of Directors Governance visits. These are reported to the Clinical Quality Committee by the Executive Medical Director. The Trust's Risk Management Strategy and Policy defines risk management structures, accountability and responsibilities and the level of acceptable risk for the Trust. The Board Assurance Framework (BAF) identifies key risks to the Trust's corporate aims and objectives and is reviewed on a quarterly basis by Executive Directors and the Board of Directors.

NHSLA

The NHSLA Risk Management standards were abolished in 2014/15. The Trust underwent its last successful assessment in September 2013 where a score of level 2 was achieved. The implementation of Trust policies continues to be monitored against similar standards set by the Trust. This ensures staff compliance with relevant legislation and other regulatory requirements.

CQC

Compliance with the Care Quality Commission (CQC) Fundamental Standards of Quality and Safety, and other national requirements, is a natural by-product of the effective operations of the Trust's groups and committees which report to the Board of Directors through Executive Directors. The process and groups and committees that provide direct reports to the Board are detailed in the Trust's Procedure for Monitoring Compliance Against the Care Quality Commission Fundamental Standards of Quality and Safety.

Following the cardiac surgery CQC inspection, two conditions were placed on the Trust's registration. Both conditions have been complied with. In addition, an internal CQC Oversight Committee has been set up to monitor the continuous implementation of agreed actions and to ensure lessons are learnt.

Based on the discussions at the Clinical Quality Monitoring Group the Executive Medical Director provides a regular exception report to the Board of Directors. In April the Medical Director submits a Draft Quality Report/Account to the Board and a Final Quality Report/Account is provided in May.

The Executive Chief Nurse provides a quarterly Patient Care Quality report, which includes information regarding Infection Prevention and Control Report. He is also responsible for the annual report regarding the National Inpatient Survey and the annual Safeguarding Adults and Children report.

The Executive Director Strategic Operations (and External Affairs) provides a six-monthly Emergency Preparedness Update Report to the Board.

The Board of Directors receives an Audit Committee Activity Report from the chair of the Audit Committee following each Audit Committee meeting and a quarterly report on the Board Assurance Framework, from the Director of Corporate Affairs.

The Executive Director of Delivery provides a Performance Indicators report to the Board of Directors. The Clinical Quality Committee also receives a Performance Indicators report each time it meets which includes a more detailed analysis of a specific area of quality performance. The Board of Directors also approves the Monitor Quarterly Governance Declaration. The Executive Director of

Delivery provided an Annual Plan Progress Update to the Board of Directors in January 2016 and October 2015 and to the Council of Governors in February 2016 and November 2015.

4.1 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. Incident trends are reported through the Divisional Clinical Quality Monitoring Group meetings and to the Clinical Quality Monitoring Group (CQMG).

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 the risk matrix contained in the Risk Management Standard AS/NZ 43360:1999.

Other methods of identifying risks are:

- Complaints and Care Quality Commission reports and recommendations;
- Inquest findings and recommendations from HM Coroners;
- Health and Safety risk assessments;
- Medico-legal claims and litigation;
- Ad hoc risk issues brought to either the Speciality Meetings / departmental meetings, Divisional Clinical Quality Group meetings, Health, Safety and Environment Committee, Clinical Quality Monitoring Group, Care Quality Group or Safeguarding Group;
- Incident reports and trend analysis;
- Internally generated reports from the Health Informatics Team;
- Reviews by external regulators;
- Internal and external audit reports;

Identified risks are added to the local/departmental Risk Registers and reviewed on a quarterly basis to ensure that action plans are being carried out and that risks are being added or deleted, as appropriate. This process is audited on a quarterly basis and reported to the Board of Directors in the Compliance and Assurance Report. Any non compliance is addressed with the appropriate Divisional Management Team and where required, Executive Directors escalate high level risks identified by the Divisional and Corporate Management Teams to the Board of Directors through the Board Assurance Framework (BAF) process.

The Board of Directors undertakes a review of the Board Assurance Framework on a quarterly basis and the Audit Committee receives an annual report.

4.2 Risk Control

High level risks (both clinical and corporate) are reported directly to the Board of Directors through the BAF. The process of reporting of risks is monitored and overseen by the Audit Committee.

Information Governance

Risks to information are managed and controlled in accordance with the Trust's Information Governance Policy and the Incident Reporting Policy and reviewed during the Information Governance Group (IGG) meetings, chaired by the Director of Corporate Affairs, who has been appointed as the Senior Information Risk Officer. The Executive Medical Director, as Caldicott Guardian, is responsible for the protection of patient information. All information governance issues, including information security issues are integrated through the Information Governance Group. The Board of Directors receives a report regarding its systems of control for information governance. These include satisfactory completion of its annual self-assessment against the Information Governance Toolkit, mapping of data flows, 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 72%, achieving Level 2 or above for all the requirements, which is satisfactory. Internal Audit audited 8 of the 45 requirements and confirmed the Trust's self-assessment score.

One serious incident was reported to the Information Commissioner's Office (ICO) during 2015/16 via the Information Governance Incident Reporting Tool. This was a level 2 incident which involved information about Trust patients being found in the changing room of another Trust because a member of staff had removed them from Trust premises against Trust policy and procedure. The results of the investigation were reported to the ICO and no further action will be taken by the ICO.

Strategic Risks

The Board Assurance Framework (BAF) contains the organisation's major risks that may impact on the achievement of the Trust's overarching Strategic Priorities for 2015/16. These are linked to the Annual Plan and the Care Quality Commission's Fundamental Standards. This process ensures that the Board is informed about the most serious risks faced by the Trust.

All the risks on the BAF have mitigation plans in place which are reviewed and updated every quarter by the Director responsible and subsequently reviewed by the Board of Directors. Timeframes for completion of the

proposed actions are also provided to ensure actions to mitigate the risk are implemented in a timely manner. The key risks on the BAF are:

- A. Failure to maintain financial balance. The 2016/17 financial plan assumes a £4.6m annual surplus in line with the control total set by Monitor. The plan to deliver this surplus contains a number of risks;
- Healthcare income contracts have yet to be signed off with commissioners.
 - Receipt of national transitional funding which is dependent on certain conditions to be met.
 - A further £18.2m of Cost Improvement Plan savings are required.
 - Full receipt of CQUIN and Sustainability Funding is assumed from commissioners.
 - Operational risks around meeting targets.

The overall financial risk will be managed and mitigated through ongoing performance management and reporting along with effective engagement with commissioners. Oversight will continue to be provided by the Board of Directors and relevant committees.

The Trust continues to be involved in strategic discussions with a range of organisations regarding the long term funding of complex specialist patient activity where costs are not fully covered by national tariffs.

Whilst discussions are ongoing about long term NHS provider sustainability and transformation, the Trusts existing cash balances mean the Trust can reasonably expect to continue meeting its working capital requirements during the next 12 months and beyond.

- B. Current capacity pressures are resulting in risk to the delivery of services to tertiary patients, who need, for example, transplantation or complex cancer surgery, where the Trust is often the only realistic provider available, and who are waiting longer for their treatment due to the lack of ward beds. The shortage of capacity is directly related to the volume of routine secondary care work, structural and policy changes and other external factors. The inability to recruit sufficient numbers of skilled, trained and competent staff due to insufficient supply.
- C. Potential breach of terms of Monitor's Provider Licence / non-compliance with external regulatory requirements due to activity growth, capacity constraints and the receipt of late referrals.

The Trust is fully compliant with the NHS Foundation Trust condition 4. However, the Trust has identified a risk to the effectiveness of its governance framework from developments across the NHS regarding support to challenged trusts, which may require the development of board and committee structures in order to maintain effectiveness and clear reporting lines and

accountabilities. The Trust will undertake regular reviews and seek external advice where appropriate.

The Compliance Framework provides oversight of the responsibilities of the Trust's various Committees / Groups and the effectiveness of the Trust's overall governance structure. The Groups / Committees are linked to the CQC standards and evidence of assurance is analysed quarterly for completeness and quality purposes. Where the Trust is exposed to new compliance standards or recommendations (e.g. Francis recommendations), these are cross-referenced to standards already logged on the framework and any gaps in assurance highlighted. This ensures the collection of timely, accurate and relevant assurance data on any compliance risks. Any anomalies, gaps in assurance or concerns about the quality of available assurance are reported on an exception basis to the relevant Executive Director and the Director of Corporate Affairs (DCA) Governance Group meetings. The meetings are chaired by the Director of Corporate Affairs who decides whether further escalation to the Audit Committee or Board of Directors is required.

4.3 Risk Management

Risk Management is well embedded throughout the organisation. Risks are usually reported locally through the Divisional Clinical Quality Groups. The Procedure for the Assessment of Risks and Management of Risk Registers' details how risks are escalated from a local / departmental level to Speciality / Divisional / Executive and finally Board level. The Board of Directors establishes which risk tolerance is deemed to be acceptable to the Trust.

The culture of the organisation aids the confident use of the incident reporting procedures throughout the Trust. The introduction of online reporting has enabled a tighter management of incident reporting and has enabled more efficient and rapid reporting with the development of specific report forms for categories of incidents.

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

When an incident occurs 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 immediately. Any incidents which are considered to be 'severe' (as defined by the National Patient Safety Agency (NPSA) definition) are escalated by the Clinical Risk and Compliance Unit to an appropriate Executive Director who decides whether the incident should be treated as a Serious Incident Requiring an Investigation (SIRI).

All SIs must be investigated using the Root Cause Analysis (RCA) methodology. All SIs 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.

There are elements of risk management where public stakeholders are closely involved. Members of the public are encouraged to participate through the regular 'Clean your hands' campaign led by Patient and Carer Councils supported by the Trust. There are patient representatives involved in the PLACE (Patient Led Assessment of the Care Environment) environmental visits. Aspects of risk, including infection control, are discussed at all Patient and Carer Council meetings. The Council of Governors is represented on the Care Quality Group and receives regular reports on care quality, infection control.

The Trust is fully compliant with the registration requirements of the Care Quality Commission.

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

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

The Trust has undertaken risk assessments and Carbon Reduction Delivery Plans are in place in accordance with emergency preparedness and civil contingency requirements, as based on the UKCIP 2009 weather projects, to ensure that this organisation's obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

5 Review of Economy, Efficiency and Effective Use of Resources

The Trust's Financial Plan for 2015/16 was approved by the Board of Directors in April 2015 and submitted to Monitor in May 2015. Achievement of the financial plan relied on delivery of £17.8m of efficiency savings which was accomplished through a wide ranging mixture of cost improvement programmes. Progress against delivery of cost improvements is monitored throughout the year and reported to the Board of Directors via the quarterly Finance and Activity Performance report. As with almost all NHS acute providers, the Trust was forecasting a deficit in 2015/16. At this stage, the actual financial

performance delivered by the Trust is better than planned meaning the year end deficit is expected to be lower than planned at the start of 2015/16.

Further efficiency savings are realised in year through initiatives, such as ongoing tendering and procurement rationalisation and review of all requests to recruit to both new and existing posts via the Workforce Approval Forms Committee (WAF).

During 2015/16 the Board of Directors have continued to receive a quarterly report on Key Performance Indicators. This includes trend data on a number of measures of efficiency and use of resources such as the sickness absence, bank usage, external agency usage, vacancy rates, delayed transfers of care and letter turnaround times. Reporting is by exception and focusses on the key areas of risk to achievement of targets, particularly in relation to Monitor's Risk Assessment Framework (RAF). In 2015/16 the Trust achieved all the targets included in the Framework with the exception of cancer 62 day GP referral, and A&E 4 hour wait (since June 2015). All national targets were met save for MRSA, cancelled operations not re-arranged within 28 days and ambulance handover. Data is also used via dashboards at a local level to measure efficiency. The performance reports contain progress against CQUIN delivery, some of which contain efficiency measures.

The objectives 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.

The effectiveness of the Board Sub-Committees, notably the Audit Committee and Executive Appointment and Remuneration Committee, are discussed in more detail in the Governance section of the Annual Report.

5.1 Quality Accounts

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare Quality Accounts for each financial year. Monitor has issued guidance to NHS foundation trust boards on the form and content of annual Quality Reports which incorporate the above legal requirements in the NHS Foundation Trust Annual Reporting Manual.

The content of the Trust's Quality Report for 2015/16 builds on the 2014/15 report and was agreed by the Board of Directors. The Quality Improvement Priorities for 2015/16 were selected with input from the Council of Governors, Clinical Quality Monitoring Group, Care Quality Group and the Chief Operating Officer's Group.

6 Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the Internal Auditors, clinical audit and the executive managers and clinical leads within the Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the Quality Report attached to this Annual Report and other performance information available to me. My review is also informed by comments made by the External Auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit Committee, Internal Audit, the Foundation Secretary and External Audit. The system of internal control is regularly reviewed and plans to address any identified weaknesses and ensure continuous improvement of the system are put in place.

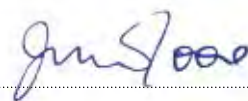
The processes applied in maintaining and reviewing the effectiveness of the system of control include:

- the maintenance of a view of the overall position with regard to internal control by the Board of Directors through its routine reporting;
- processes and its review of the Board Assurance Framework;
- the receipt of Internal and External Audit reports on the Trust's internal control processes by the Audit Committee; and
- personal input into the controls and risk management processes from all Executive Directors and Senior Managers and individual clinicians.

7 Conclusion

There are no significant internal control issues. 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.

Signed



Date: 23 May 2016

**Dame Julie Moore
Chief Executive**

Consolidated Statement of Comprehensive Income

		Year Ended 31 March 2016	Year Ended 31 March 2015
	Notes	Total £000	Total £000
Revenue from patient care activities	3	629,084	614,443
Other operating revenue – recurring	4	114,926	118,890
Other operating revenue – non recurring	4.1	17,522	9,812
Total revenue		761,532	743,145
Operating expenses – recurring	5	(741,073)	(703,241)
Operating expenses – non recurring	5	(18,144)	(1,837)
Total operating expenses		(759,217)	(705,078)
Operating surplus		2,315	38,067
Finance costs			
Finance income	10	296	307
Finance expense	10	(22,260)	(22,555)
Net finance expense		(21,964)	(22,248)
(Deficit) / surplus before taxation		(19,649)	15,819
Taxation	12	(76)	(172)
(Deficit) / surplus after taxation		(19,725)	15,647
PDC Dividends payable	11	—	—
Retained (deficit) / surplus for the year		(19,725)	15,647
Other comprehensive income			
Gain from transfer by absorption from demising bodies		—	—
Revaluation gains on property, plant and equipment		14,040	2,363
Total comprehensive income for the year		(5,685)	18,010

All income and expenditure is derived from continuing operations.

All income and expenditure is attributable to the Group, there are no minority interests.

The non-recurring revenue and operating expenses are detailed in their respective notes and are due to movements in the revaluations of property (fair values) and disposal of surplus land.

The notes on pages XXII to LXIII are an integral part of these financial statements.

Consolidated Statement of Financial Position

	Notes	Group		Foundation Trust	
		31 March 2016 £000	31 March 2015 £000	31 March 2016 £000	31 March 2015 £000
Assets					
Non-current assets					
Intangible assets	13	660	717	660	717
Property, plant and equipment	14	503,456	508,397	500,326	506,947
Trade and other receivables	20	11,050	21,556	11,050	21,556
		515,166	530,670	512,036	529,220
Current assets					
Inventories	19	15,674	15,462	13,584	13,811
Trade and other receivables	20	61,532	80,339	71,739	86,324
Cash and cash equivalents	21	59,171	51,268	56,183	49,496
		136,377	147,069	141,506	149,631
Total assets		651,543	677,739	653,542	678,851
Liabilities					
Current liabilities					
Borrowings	25	(12,835)	(12,629)	(12,835)	(12,629)
Trade and other payables	22	(118,826)	(113,199)	(121,811)	(115,847)
Current tax liabilities		(25)	(173)	—	—
Provisions	28	(792)	(772)	(792)	(772)
Other liabilities	23	(18,703)	(30,947)	(18,613)	(30,775)
		(151,181)	(157,720)	(154,051)	(160,023)
Total assets less current liabilities		500,362	520,019	499,491	518,828
Non-current liabilities					
Borrowings	25	(496,740)	(509,575)	(496,740)	(509,575)
Provisions	28	(2,362)	(2,468)	(2,116)	(2,222)
Deferred tax liabilities	24	(82)	(24)	—	—
Other liabilities	23	(7,413)	(10,813)	(7,413)	(10,813)
		(506,597)	(522,880)	(506,269)	(522,610)
Total liabilities		(657,778)	(680,600)	(660,320)	(682,633)
Net liabilities		(6,235)	(2,861)	(6,778)	(3,782)
Taxpayers' equity					
Public dividend capital		182,974	180,663	182,974	180,663
Revaluation reserve		108,173	95,112	108,173	95,112
Income and expenditure reserve		(297,382)	(278,636)	(297,925)	(279,557)
Total taxpayers' equity		(6,235)	(2,861)	(6,778)	(3,782)

The financial statements on pages XVIII to LXIII were approved by the Board of Directors on 23 May 2016 and were signed on its behalf by:



Dame Julie Moore
Chief Executive

Consolidated Statement of Changes in Taxpayers' Equity

Group	Public Dividend Capital	Revaluation Reserve	Income and Expenditure Reserve	Total
	£000	£000	£000	£000
Balance at 1 April 2014	171,029	113,496	(315,030)	(30,505)
Surplus for the year	—	—	15,647	15,647
Transfers in respect of assets disposed of	—	(20,747)	20,747	—
Public dividend capital received	9,634	—	—	9,634
Revaluation gains	—	2,363	—	2,363
Total comprehensive income for the year	9,634	(18,384)	36,394	27,644
Balance at 31 March 2015	180,663	95,112	(278,636)	(2,861)
Deficit for the year	—	—	(19,725)	(19,725)
Transfers in respect of assets disposed of	—	(979)	979	—
Public dividend capital received	2,311	—	—	2,311
Revaluation gains	—	14,040	—	14,040
Total comprehensive income for the year	2,311	13,061	(18,746)	(3,374)
Balance at 31 March 2016	182,974	108,173	(297,382)	(6,235)

Trust	Public Dividend Capital	Revaluation Reserve	Income and Expenditure Reserve	Total
	£000	£000	£000	£000
Balance at 1 April 2014	171,029	113,496	(315,753)	(31,228)
Surplus for the year	—	—	15,449	15,449
Transfers in respect of assets disposed of	—	(20,747)	20,747	—
Public dividend capital received	9,634	—	—	9,634
Revaluation gains	—	2,363	—	2,363
Total comprehensive income for the year	9,634	(18,384)	36,196	27,446
Balance at 31 March 2015	180,663	95,112	(279,557)	(3,782)
Deficit for the year	—	—	(19,347)	(19,347)
Transfers in respect of assets disposed of	—	(979)	979	—
Public dividend capital received	2,311	—	—	2,311
Revaluation gains	—	14,040	—	14,040
Total comprehensive income for the year	2,311	13,061	(18,368)	(2,996)
Balance at 31 March 2016	182,974	108,173	(297,925)	(6,778)

Consolidated Statement of Cash Flows

	Group		Foundation Trust	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Notes	£000	£000	£000	£000
Cash flows from operating activities				
Operating surplus for the year	2,315	38,067	2,405	37,685
Depreciation and amortisation	21,343	21,729	21,048	21,704
Net reversals of impairments	15,075	(2,250)	15,075	(2,250)
Non-cash donations/grants credited to income	(855)	(676)	(855)	(676)
(Gain) / loss on disposal of property, plant and equipment	(609)	(5,705)	(609)	(5,705)
(Increase) / decrease in inventories	(212)	(231)	227	81
Decrease / (increase) in trade and other receivables	20,963	(15,314)	16,730	(16,528)
Increase / (decrease) in trade and other payables	4,684	(2,018)	5,252	(757)
(Decrease) / increase in other liabilities	(15,644)	6,982	(15,790)	6,810
(Decrease) / increase in provisions	(119)	116	(119)	(130)
Tax (paid) / received	(166)	(101)	—	—
Net cash generated from operating activities	46,775	40,599	43,364	40,234
Cash flows from investing activities				
Interest received	299	317	522	318
Payments to acquire property, plant and equipment	(15,626)	(31,552)	(13,654)	(30,249)
Receipts from sale of property, plant and equipment	9,000	4,200	9,000	4,200
Payments to acquire intangible assets	—	(392)	—	(392)
Net cash used in investing activities	(6,327)	(27,427)	(4,132)	(26,123)
Cash flows from financing activities				
Public dividend capital received	2,311	9,634	2,311	9,634
Capital element of finance lease obligations	(40)	(38)	(40)	(38)
Interest element of finance lease obligations	(27)	(29)	(27)	(29)
Capital element of PFI obligations	(12,589)	(12,059)	(12,589)	(12,059)
Interest element of PFI obligations	(22,200)	(22,500)	(22,200)	(22,500)
Net cash used in financing activities	(32,545)	(24,992)	(32,545)	(24,992)
Net increase / (decrease) in cash and cash equivalents	7,903	(11,820)	6,687	(10,881)
Cash and cash equivalents at 1 April	51,268	63,088	49,496	60,377
Cash and cash equivalents at 31 March	59,171	51,268	56,183	49,496

Notes to the Financial Statements

1 Accounting policies

Basis of preparation

Monitor is responsible for issuing an accounts direction to NHS foundation trusts under the NHS Act 2006. Monitor has directed that the financial statements of NHS foundation trusts shall meet the accounting requirements of the Foundation Trust Annual Reporting Manual (FT ARM) which shall be agreed with the Secretary of State. Consequently, the following financial statements have been prepared in accordance with the FT ARM 2015/16 issued by Monitor. The accounting policies contained in that manual follow IFRS and HM Treasury's FReM to the extent that they are meaningful and appropriate to NHS foundation trusts. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

Accounting convention

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

Going concern

These accounts have been prepared on a going concern basis. After making enquiries, the directors have a reasonable expectation that the NHS foundation trust has adequate resources to continue in operational existence for the foreseeable future. The retained deficit for the reported year has not resulted in a decrease in cash held, Trust cash balances have increased year on year. The Trust has for the subsequent financial year (2016/17) signed up to the NHS Sustainability and Transformation Fund and is committed to return a small operating surplus. For this reason, they continue to adopt the going concern basis in preparing the accounts.

1.1 Basis of consolidation

The Group financial statements consolidate the financial statements of the Trust and all of its subsidiary undertakings made up to 31 March 2016. A subsidiary is an entity controlled by the Trust. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of the entity so as to derive benefits from its activities. The Trust has no joint ventures, joint operations nor any associate entities. The income, expenses, assets, liabilities, equity and reserves of the subsidiaries have been consolidated into the Trust's financial statements and group financial statements have been prepared.

All intra-group transactions, balances, income and expenses are eliminated on consolidation. Where subsidiaries' accounting policies are not aligned with those of the Trust (including where they report under UK GAAP) then amounts are adjusted during consolidation where the differences are material, however there are no such differences at the reporting date. In accordance with the NHS Foundation Trust Annual Reporting Manual a separate income statement for the parent (the Trust) has not been presented.

The 2015/16 NHS Foundation Trust Annual Reporting Manual requires the consolidation of any NHS charity that meets the criteria of control under IFRS 10. The Queen Elizabeth Hospital Birmingham Charity is not considered to be a subsidiary of the Trust under IFRS 10 and consequently is not consolidated within these financial statements. The charity is a separate legal entity with an independent Board of Trustees and the benefits from its activities are shared between the Trust, University of Birmingham and Royal Centre of Defence Medicine.

1.2 Revenue recognition

Revenue in respect of services provided is recognised when, and to the extent that, performance occurs, and is measured at the fair value of the consideration receivable. The main source of revenue for the Trust is from commissioners in respect of healthcare services. Revenue relating to patient care spells that are part-completed at the year end are apportioned across the financial years on the basis of length of stay at the end of the reporting period compared to expected total length of stay.

Partially completed spells of patient care relate to Finished Consultant Episodes (FCEs). A revenue value is attributed to these spells by reference to episode type (elective, non-elective etc.), the relevant HRG, any local or national tariff and .

Where revenue is received for a specific activity which is to be delivered in the following financial years, that revenue is deferred.

1.3 Expenditure on employee benefits

Short term employee benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from the employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that the employees are permitted to carry forward leave into the following period.

Post employment benefits – pension costs

Past and present employees of the Trust are covered by the provisions of the two NHS Pensions Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS Body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period. The commercial subsidiaries operate a defined contribution scheme with Standard Life and the Government's NEST scheme, employees of these companies do not have access to the NHS Pension Schemes.

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

a. Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and are accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2016, is based on valuation data as 31 March 2015, updated to 31 March 2016 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Pension Accounts, published annually. These accounts can be viewed on the NHS Pensions website. Copies can also be obtained from The Stationery Office.

b. Full actuarial (funding) valuation

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

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012.

The Scheme Regulations allow contribution rates to be set by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.

1.4 Expenditure on other goods and services

Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

1.5 Property, plant and equipment

Recognition

Property, plant and equipment assets are capitalised where:

- They are held for use in delivering services or for administration purposes;
- It is probable that future economic benefits will flow to, or service potential be provided to, the Trust;
- They are expected to be used for more than one financial year;
- The cost of the item can be measured reliably;
- Individually they have a cost of at least £5,000; or
- They form a group of assets which individually have a cost of more than £250, collectively have a cost of at least £5,000, where the assets are functionally interdependent, have broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- They form part of the initial setting-up cost of a new building or refurbishment of a ward or unit, irrespective of their individual or collective cost.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, the components are treated as separate assets and depreciated over their own estimated useful economic lives.

Valuation

All property, plant and equipment are stated initially at cost, representing the cost directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

After recognition of the asset, property is carried at fair value using the 'Revaluation model' set out in IAS 16, in accordance with HM Treasury's Finance Reporting Manual. Property used for the Trust's services or for administrative purposes is carried at a revalued amount, being its fair value as determined at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. Fair values are measured as follows:

- Land and non specialised buildings – existing use value
- Specialised buildings – depreciated replacement cost

Valuations are carried out by a professionally qualified valuer in accordance with the Royal Institute of Chartered Surveyors (RICS) Valuation Standards, 7th Edition. The District Valuation Service has carried out the valuation of the Trust's property as at the reporting date. Where depreciated replacement cost has been used, the valuer has had regard to RICS Valuation Information Paper No. 10 'The Depreciated Replacement Cost (DRC) Method of Valuation for Financial Reporting', as supplemented by Treasury guidance. HM Treasury require the measurement of 'DRC' using the 'Modern Equivalent Asset' (MEA) estimation technique, see accounting policy 1.28 for details.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 for assets held at fair value. Assets are revalued and depreciation commences when they are brought into use.

Equipment and fixtures are carried at cost less accumulated depreciation and any accumulated impairment losses, as this is not considered to be materially different from the fair value of assets which have low values or short economic useful lives.

Revaluation

Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating income. Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses. Gains and losses recognised in the revaluation reserve are reported as other comprehensive income in the Statement of Comprehensive Income.

Subsequent expenditure

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is added to the asset's carrying value. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised.

De-recognition

Assets intended for disposal are reclassified as 'held for sale' once all of the following criteria are met:

- The asset is available for immediate sale;
- Management are committed to a plan to sell;
- The sale is highly probable;
- An active programme has begun to find a buyer and complete the sale;
- The asset is being actively marketed at a reasonable price; and
- The actions required to complete the planned sale indicate that it is unlikely that the plan will be significantly changed or withdrawn.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment that is to be scrapped or demolished does not qualify for recognition as 'held for sale' and instead is retained as an operational asset and its economic life is adjusted. The asset is de-recognised when it is scrapped or demolished.

1.6 Intangible assets

Expenditure on computer software which is deemed not to be integral to the computer hardware and will generate economic benefits beyond one year is capitalised as an intangible asset. Computer software for a computer-controlled machine tool that cannot operate without that specific software is an integral part of the related hardware and it is treated as property, plant and equipment. These intangible assets are stated at cost less accumulated amortisation and impairment losses. Amortisation is charged to the Statement of Comprehensive Income on a straight line basis.

1.7 Depreciation, amortisation and impairments

Depreciation and amortisation are charged on a straight line basis to write off the costs or valuation of property, plant and equipment and intangible non-current assets, less any residual value, over their estimated useful lives, in a manner that reflects the consumption of economic benefits or service potential of the assets. The estimated useful life of an asset is the period over which the Trust expects to obtain economic benefits or service potential from the asset. This is specific to the Trust and may be shorter than the physical life of the asset itself. The estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. Assets held under finance leases are depreciated over their estimated useful economic lives or, where shorter, the lease term.

The estimated useful economic lives of property, plant and equipment and intangible assets are as follows:

- Buildings are depreciated over 10 to 50 years according to the estimated useful life of the asset;
- Dwellings are depreciated over 15 to 30 years;
- Land and properties under construction are not depreciated;
- Plant and machinery is depreciated over 5 to 15 years;
- Information technology is depreciated over 2 to 5 years;
- Furniture and fittings are depreciated over 5 to 10 years; and
- Intangible software and licences are depreciated over 2 to 5 years.

At each reporting period end, the Trust checks whether there is any indication that any of its tangible or intangible non-current assets have suffered an impairment loss. If there is indication of an impairment loss, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its

amount. Intangible assets not yet available for use are tested for impairment annually.

In accordance with the NHS Foundation Trust Annual Reporting Manual, impairments that are due to a loss of economic benefits or service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

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

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

1.8 Donated assets

Donated non-current assets are capitalised at their fair value on receipt, with a matching credit to revenue. The revenue is recognised in full in the reporting year the asset is received, unless the donor imposes a condition that the future economic benefits embodied in the donation are to be consumed in a manner specified by the donor. In which case the donation would be deferred within liabilities carried forward to future years to the extent that the condition has not yet been met. Donated assets continue to be valued, depreciated and impaired as described for purchased assets.

1.9 Government grants

The revenue is recognised when the foundation trust becomes entitled to the grant, unless the grantor imposes a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the grantor. In which case the grant would be deferred within liabilities carried forward to future years to the extent that the condition has not yet been met. Granted assets continue to be capitalised at their fair value upon receipt and are valued, depreciated and impaired as described for purchased assets.

1.10 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred

to the lessee. All other leases are classified as operating leases.

The Trust as lessee

Property, plant and equipment held under finance leases are initially recognised, at the inception of the lease, at fair value or, if lower, at the present value of the minimum lease payments, with a matching liability for the lease obligation to the lessor. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the Statement of Comprehensive Income.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

Contingent rentals are recognised as an expense in the period in which they are incurred.

Where a lease is for land and buildings, the land and building components are separated. Leased land is treated as an operating lease. Leased buildings are assessed as to whether they are operating or finance leases.

The Trust as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Trust's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Trust's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.11 Private Finance Initiatives (PFI) transactions

Recognition

HM Treasury has determined that government bodies shall account for infrastructure PFI schemes following the principles of the requirements of IFRIC 12. Where the government body (the Grantor) meets the following conditions the PFI scheme falls within the scope of a 'service concession' under IFRIC 12:

- The grantor controls the use of the infrastructure and regulates the services to be provided to whom and at what price; and

- The grantor controls the residual interest in the infrastructure at the end of the arrangement as service concession arrangements.

The Trust therefore recognises the PFI asset as an item of property, plant and equipment on the Statement of Financial Position together with a liability to pay for it. The PFI asset recognised is the 'Queen Elizabeth Hospital Birmingham' as detailed in note 27.1 to the financial statements on page LV. The services received under the contract are recorded as operating expenses.

Valuation

The PFI assets are recognised as property, plant and equipment, when they come into use, in accordance with the HM Treasury interpretation of IFRIC 12. The assets are measured initially at fair value in accordance with the principles of IAS 17, HM Treasury guidance for PFI assets is the construction cost and capitalised fees incurred as at financial close, disclosed in the PFI contract. Subsequently, the assets are measured at fair value, which is kept up to date in accordance with the Trust's approach for each relevant class of asset in accordance with the principles of IAS 16, as detailed in accounting policy note 1.5 'Property, plant and equipment – valuation'. For specialised buildings this is depreciated replacement cost.

The estimation technique of the Modern Equivalent Asset (the 'Depreciated Replacement Value') has changed due to the inclusion of the assumption that any replacement PFI hospital would be VAT recoverable. VAT is recoverable on PFI builds under HMRC guidelines whereas traditional NHS estate construction is not recoverable and therefore valued gross of VAT. In prior years the PFI was valued gross of VAT in line with all the estate, it is now recognised that a modern equivalent asset, would be another PFI on the same Edgbaston site, hence VAT would be recoverable on any cost. Monitor issued updated guidance ('2015-16 Year End Supplementary Accounting Guidance') including a direction on where it may be appropriate to exclude VAT from a fair valuation of a PFI asset.

The PFI lease obligations due at the reporting date are detailed in note 27.1 to the financial statements on page LV.

Subsequent expenditure

The annual contract payments are apportioned, using appropriate estimation techniques between the repayment of the liability, a finance cost, lifecycle replacement and the charge for services.

The element of the annual unitary payment that is allocated as a finance lease rental is applied to meet the annual finance expense and to repay the lease liability over the contract term. The annual finance cost is calculated by applying the implicit interest rate in the

lease to the opening lease liability for the period, and is recognised under the relevant finance costs heading within note 10 to the financial statements on page XXXIX.

The fair value of services received in the year is recognised under the relevant operating expenses headings within note 5 to the financial statements on page XXXVI.

Lifecycle replacement

Components of the asset replaced by the operator during the contract ('lifecycle replacement') are capitalised where they meet the Trust's criteria for capital expenditure. They are capitalised at the time they are provided by the operator and are measured initially at their fair value.

The element of the annual unitary payment allocated to lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. Where the lifecycle component is provided earlier or later than expected, a short-term finance lease liability or prepayment is recognised respectively.

The lifecycle prepayment recognised at the reporting date is detailed in note 20 to the financial statements on page L.

Where the fair value of the lifecycle component is less than the amount determined in the contract, the difference is recognised as an expense when the replacement is provided. If the fair value is greater than the amount determined in the contract, the difference is treated as a 'free' asset and a deferred income balance is recognised. The deferred income is released to the operating income over the shorter of the remaining contract period or the useful economic life of the replacement component.

Other assets contributed by the Trust to the operator

Where existing Trust Buildings are to be retained as part of the PFI scheme, a deferred asset will be created at the point that the Trust transfers those buildings to the PFI partner. The deferred asset will be written off through the Statement of Comprehensive Income over the life of the concession.

Where current estate will be retained in use and maintained by the PFI provider but the risks and rewards will not pass to the provider, that part of the estate will remain on balance sheet and refurbishment costs which are included in the PFI will also be capitalised.

1.12 Inventories

Inventories are valued at the lower of cost and net realisable value. Pharmacy and warehouse stocks are

valued at weighted average cost, other inventories are valued on a first-in first-out basis. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks.

1.13 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Account balances are only set off where a formal agreement has been made with the bank to do so. In all other cases bank overdrafts are shown within borrowings in 'current liabilities' on the Statement of Financial Position. In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the Trust's cash management. These balances exclude monies held in the Trust's bank accounts belonging to patients, see accounting policy note 1.26 for third party assets.

1.14 Finance income and costs

Interest earned on bank accounts and interest charged on overdrafts is recorded as, respectively, 'interest receivable' and 'interest payable' in the periods to which they relate. Bank charges are recorded as operating expenditure in the periods to which they relate.

1.15 Financial assets and financial liabilities

Recognition and de-recognition

Financial assets and financial liabilities are recognised when the Trust becomes party to the contractual provision of the financial instrument, or in the case of trade receivables and payables, when the goods or services have been delivered or received, respectively.

Financial assets and financial liabilities are initially recognised at fair value. Public Dividend Capital is not considered to be a financial instrument, see accounting policy note 1.21 and is measured at historical cost.

Financial assets are de-recognised when the contractual rights to receive cashflows have expired or the asset has been transferred. Financial liabilities are de-recognised when the obligation has been discharged, cancelled or has expired.

Classification

Financial assets are classified as: 'financial assets at fair value through income and expenditure'; 'held to maturity investments'; 'available for sale financial assets'; or as 'loans and receivables'.

Financial liabilities are classified as: 'financial liabilities at fair value through income and expenditure'; or as 'other financial liabilities'.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date, which are classified as non-current assets.

The Trust's loans and receivables comprise: cash and cash equivalents, NHS and trade debtors, accrued income and 'other debtors'.

Loans and receivables are recognised initially at fair value, net of transaction costs, and are measured subsequently at amortised cost, using the effective interest method. Interest is recognised using the effective interest method and is credited to 'finance income'. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

Other financial liabilities

Other financial liabilities are recognised initially at fair value, net of transaction costs, and are measured subsequently at amortised cost, using the effective interest method. Interest is recognised using the effective interest method and is charged to 'finance costs'. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount of the financial liability.

They are included in current liabilities, except for those amounts payable more than 12 months after the reporting date, which are classified as non-current liabilities.

The Trust's other financial liabilities comprise: finance lease obligations, NHS and trade creditors, accrued expenditure and 'other creditors'.

Impairment of financial assets

At the end of the reporting period, the trust assesses whether any financial assets, other than those held at 'fair value through profit and loss' are impaired. Financial assets are impaired and impairment losses recognised if there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

Accounting for derivative financial instruments

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be

ascertained, are treated as financial assets at fair value through income and expenditure. They are held at fair value, with any subsequent movement recognised as gains or losses in the Statement of Comprehensive Income.

1.16 Trade receivables

Trade receivables are recognised and carried at original invoice amount less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Trust will not be able to collect all amounts due according to the original terms of receivables. The movement of the provision is recognised in the Statement of Comprehensive Income.

1.17 Deferred income

Deferred income represents grant monies received where the expenditure is expected to take place in a future period. The deferred income is included in current liabilities unless the expenditure, in the opinion of management, will take place more than 12 months after the reporting date, which are classified in non-current liabilities.

1.18 Borrowings

The prudential borrowing code requirements in section 41 of the NHS Act 2006 have been repealed with effect from 1 April 2013 by the Health and Social Care Act 2012. The financial statements disclosures that were provided previously are no longer required. The Trust has not utilised any loan or working capital facility, borrowings as at the reporting date consist of obligations under finance leases and the 'Queen Elizabeth Hospital Birmingham' Private Finance Initiative contract.

1.19 Provisions

The Trust provides for legal or constructive obligations that are of uncertain timing or amount at the reporting date on the basis of the best estimate of the expenditure required to settle the probable obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rate of 2.2% in real terms, except for early retirement provisions and injury benefit provisions which both use the HM Treasury's pension discount rate of 1.3% in real terms.

Clinical Negligence Costs

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the Trust pays an annual contribution to the NHSLA, which, in return, settles all clinical negligence claims. Although the NHSLA is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the Trust is disclosed in note 28

to the financial statements on page LVII, but is not recognised in the Trust's financial statements.

Non-Clinical Risk Pooling

The Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the Trust pays an annual contribution to the NHS Litigation Authority and in return receives assistance with the costs of claims arising. The annual membership contributions, and any 'excesses' payable in respect of particular claims are charged to operating expenses when the liability arises. The Trust has also taken out additional insurance to cover claims in excess of £1million.

1.20 Contingencies

Contingent liabilities are not recognised but are disclosed in note 29 to the financial statements on page LVIII, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

- Possible obligations arising from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the entity's control; or
- Present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 29 to the financial statements on page LVIII where an inflow of economic benefits is probable.

1.21 Public Dividend Capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS trust. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

A charge, reflecting the cost of capital utilised by the NHS foundation trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the NHS foundation trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for (i) donated assets, (ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility and (iii) any PDC dividend balance receivable or

payable. In accordance with the requirements laid down by the Department of Health (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the pre-audit version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

1.22 Research and Development

Expenditure on research is not capitalised, it is treated as an operating cost in the year in which it is incurred.

Research and development activity cannot always be separated from patient care activity and is considered to be a part of the core NHS healthcare operating segment within the Trust. It is therefore not separately disclosed.

1.23 Value Added Tax

Most of the activities of the Trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.24 Corporation Tax

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

The tax expense on the surplus or deficit for the year comprises current and deferred tax due to the Trust's trading commercial subsidiaries, see note 12 to the financial statements on page XL. Current tax is the expected tax payable for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

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

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

1.25 Foreign exchange

The functional and presentational currency of the Trust is sterling. Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the spot exchange rate on 31 March 2016. Resulting exchange gains and losses for either of these are recognised in the Statement of Comprehensive Income in the period in which they arise.

1.26 Third party assets

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

1.27 Losses and Special Payments

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

Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had NHS foundation trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure). However, the note on losses and special payments is compiled directly from the losses and compensations register which reports amounts on an accruals basis with the exception of provisions for future losses.

1.28 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying

assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The critical accounting judgements and key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are detailed below:

Modern equivalent asset valuation of property – critical accounting judgement

As detailed in accounting policy note 1.5 'Property, plant and equipment – valuation', the District Valuation Service provided the Trust with a valuation of the land and building assets (estimated fair value and remaining useful life). The significant estimation being the specialised building – depreciated replacement value, using modern equivalent asset methodology, of the new PFI hospital (the 'Queen Elizabeth Hospital Birmingham'). The result of this valuation, based on estimates provided by a suitably qualified professional in accordance with HM Treasury guidance, is disclosed in note 14.2 to the financial statements on page XLVI. Future revaluations of the Trust's property may result in further material changes to the carrying values of non-current assets.

Provision for impairment of receivables – critical accounting judgement

Management will use their judgement to decide when to write-off revenue or to provide against the probability of not being able to collect debt. There are significant judgements in recognition of revenue from care of NHS patients and in provisioning for disputes with commissioners, this arises from the complexity of the Payments by Results regime and the judgemental nature of over performance activity levels and partially completed spells not yet agreed with commissioners.

Impairments and the estimated lives of assets – key sources of estimation uncertainty

As detailed in accounting policy note 1.7 'Depreciation, amortisation and impairments', the Trust is required to review property, plant and equipment for impairments and the accuracy of estimated useful lives. In between formal valuations by qualified surveyors, management make judgements about the condition of assets and review their estimated lives.

Provisions – key sources of estimation uncertainty

Provisions have been made for probable legal and constructive obligations of uncertain timing or amount as at the reporting date. These are based on estimates using relevant and reliable information as is available at the time the financial statements are prepared. These

provisions are estimates of the actual costs of future cash flows and are dependent on future events. Any difference between expectations and the actual future liability will be accounted for in the period when such determination is made.

The carrying amounts of the Trust's provisions are detailed in note 28 to the financial statements on page LVII.

1.29 Accounting standards, interpretations and amendments adopted in the year

All new, revised and amended standards and interpretations, which are mandatory as at the reporting date, have been adopted in the year. None have had a material impact on the Trust's financial statements.

1.30 Accounting standards, interpretations and amendments to published standards not yet adopted

The Treasury FReM does not require the following Standards and Interpretations to be applied in 2015–16:

- IFRS 9 'Financial Instruments' recognition and measurement
- IFRS 13 'Fair Value Measurement'
- IFRS 15 'Revenue from Contracts with Customers'
- IFRS 16 'Leases'
- IAS 36 'Recoverable amount Disclosures' (amendment)
- IAS 19 'Employer contributions to defined benefit pensions schemes' (amendment)
- IFRIC 21 'Levies'
- Annual Improvements 2012
- Annual Improvements 2013

The Trust does not consider that these or any other standards, amendments or interpretations issued by the IASB, but not yet adopted by the European Union, will have a material impact on the financial statements. New and revised accounting standards are assessed for impact on the financial statements as they become applicable in the Treasury FReM.

2 Segmental analysis

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

Healthcare services

NHS Healthcare is the core activity of the Trust – the 'mandatory services requirement' as set out in the Trust's Terms of Authorisation issued by Monitor and defined by legalisation. This activity is primarily the provision of NHS healthcare, either to patients and charged to the relevant NHS commissioning body, or where healthcare related services are provided to other organisations by contractual agreements. Healthcare services also includes the hosting of the Royal Centre for Defence Medicine (Ministry of Defence) and the treatment of private patients.

Revenue from activities (medical treatment of patients) is analysed by activity type in note 3 to the financial statements on page XXXIII. Other operating revenue is analysed in note 4 to the financial statements on page XXXV and materially consists of revenues from healthcare research and development, medical education and related support services to other organisations. Revenue is predominately from HM Government and related party transactions are analysed in note 31 to the financial statements on page LVIII, where individual customers within the public sector are considered material. The proportion of total revenue receivable from whole HM Government is 94.2% (2014/15 – 95.6%).

The healthcare and related support services as described are all provided directly by the Trust, which is a public benefit corporation. These services have been aggregated into a single operating segment because they have similar economic characteristics: the nature of the services they offer are the same (the provision of healthcare), they have similar customers (public and private sector healthcare organisations) and have the same regulators (Monitor, Care Quality Commission and the Department of Health). The overlapping activities and interrelation between direct healthcare services and supporting medical research and education so suggests that aggregation is applicable. However, other healthcare support services are provided by separate trading companies:

Commercial subsidiaries

There are three trading companies that are all wholly owned subsidiaries of the Trust: (i) Pharmacy@QEHB Limited provides an Outpatient Dispensary service, (ii) UHB Facilities Ltd provides a fully managed healthcare facility and (iii) Assure Dialysis Services Ltd provides renal dialysis healthcare. As trading companies, subject to

additional legal and regulatory regimes (over and above that of the Trust), these activities are considered to be a separate business segment whose individual operating results are reviewed by the Trust Board (the Chief Operating Decision Maker).

A significant proportion of these companies' revenues are inter group trading with the Trust which is eliminated upon the consolidation of these group financial statements. The monthly performance report to the Chief Operating Decision Maker reports financial summary information in the format of the table below.

	Healthcare services	Commercial subsidiaries	Inter-Group Eliminations	Total
Year ended 31 March 2016	£000	£000	£000	£000
Total segment revenue	744,757	38,981	(39,728)	744,010
Torla segment revenue – non recurring	17,522	—	—	17,522
Total segment expenditure	(741,730)	(39,071)	39,728	(741,073)
Total segment expenditure – non recurring	(18,144)	—	—	(18,144)
Operating surplus / (deficit)	2,405	(90)	—	2,315
Net financing	(21,752)	(212)	—	(21,964)
Taxation	—	(76)	—	(76)
Retained deficit	(19,347)	(378)	—	(19,725)
Reportable Segment assets	653,542	12,982	—	666,524
Eliminations	—	—	(14,981)	(14,981)
Total assets	653,542	12,982	(14,981)	651,543
Reportable Segment liabilities	(660,320)	(12,439)	—	(672,759)
Eliminations	—	—	14,981	14,981
Total liabilities	(660,320)	(12,439)	14,981	(657,778)
Net (liabilities) / assets	(6,778)	543	—	(6,235)
Reportable Segment assets	678,851	9,079	—	687,930
Eliminations	—	—	(10,190)	(10,190)
Total assets	678,851	9,079	(10,190)	677,740
Reportable Segment liabilities	(682,633)	(8,158)	—	(690,791)
Eliminations	—	—	10,190	10,190
Total liabilities	(682,633)	(8,158)	10,190	(680,601)
Net (liabilities) / assets	(3,782)	921	—	(2,861)

	Healthcare services	Commercial subsidiaries	Inter-Group Eliminations	Total
Year ended 31 March 2015	£000	£000	£000	£000
Total segment revenue	733,822	28,333	(28,822)	733,333
Torla segment revenue – non recurring	9,812	—	—	9,812
Total segment expenditure	(704,112)	(27,951)	28,822	(703,241)
Total segment expenditure – non recurring	(1,837)	—	—	(1,837)
Operating surplus	37,685	382	—	38,067
Net financing	(22,236)	(12)	—	(22,248)
Taxation	—	(172)	—	(172)
Retained surplus	15,449	198	—	15,647
Reportable Segment assets	678,851	9,079	—	687,930
Eliminations	—	—	(10,190)	(10,190)
Total assets	678,851	9,079	(10,190)	677,740
Reportable Segment liabilities	(682,633)	(8,158)	—	(690,791)
Eliminations	—	—	10,190	10,190
Total liabilities	(682,633)	(8,158)	10,190	(680,601)
Net (liabilities) / assets	(3,782)	921	—	(2,861)

All activities are based in the UK.

3 Revenue from patient care activities

By commissioner	Year Ended	Year Ended
	31 March 2016	31 March 2015
	£000	£000
Foundation Trusts	94	117
NHS Trusts	852	635
NHS England	357,259	353,955
Clinical Commissioning Groups	238,938	228,203
Department of Health	—	5,900
Local Authorities	15,568	8,514
NHS Scotland, Wales and Northern Ireland	8,332	8,249
Private Patients	3,526	3,912
Overseas Patients	362	713
NHS Injury Cost Recovery scheme	4,028	3,458
Ministry of Defence	125	787
	629,084	614,443

The responsibility for commissioning nationally funded NHS healthcare 'specialist healthcare activity' lies with NHS England which is the parent body of the CCGs. NHS England is the single largest commissioner of healthcare from the Trust under the new Social Care Act of 2012. Healthcare activity income from the Ministry of Defence

of £125,000 relates to the Trust contract with the Royal Centre for Defence Medicine (2014/15 – £787,000). NHS Injury Cost Recovery scheme income, received from commercial insurance providers, is subject to a provision for impairment of receivables of 21.99% (2014/15 – 19.8%) to reflect expected rates of collection.

By commissioner	Year Ended	Year Ended
	31 March 2016	31 March 2015
	£000	£000
Elective	100,817	111,649
Non elective	115,706	113,469
Outpatients	95,389	87,201
A&E	11,566	10,838
Other NHS clinical	297,565	282,416
Private and overseas patients	3,888	4,625
Other non-NHS clinical	4,153	4,245
	629,084	614,443

3.1 Overseas visitors (patients charged directly by the Trust)

	Year Ended	Year Ended
	31 March 2016	31 March 2015
	£000	£000
Income recognised this year	362	713
Cash payments received in-year	392	225
Amounts added to provision for impairment of receivables	(381)	(158)
Amounts written off in-year	(204)	(73)

3.2 Commissioner requested services

	Year Ended 31 March 2016 £000	Year Ended 31 March 2015 £000
Commissioner requested services		
Revenue derived from NHS clinical activity in England	612,711	597,324
Non-commissioner requested services		
NHS Scotland, Wales and Northern Ireland	8,332	8,249
Non-NHS derived clinical activity	8,041	8,870
	16,373	17,119
Revenue from patient care activities	629,084	614,443
Commissioner requested services as a percentage of revenue	97.40%	97.21%

With the exceptions of private and overseas patient, NHS injury cost recovery scheme and Ministry of Defence income, all of the revenue from clinical activities arises from NHS services within the United Kingdom.

Following changes to the Health and Social Care Act 2012 (the 'Act'), Monitor removed the requirement for

foundation trusts to limit private patients revenue as a percentage of total revenue from activities. In its place, the Act requires that a foundation trust's principal activity is to deliver goods and services for the purposes of the National Health Service in England. These 'commissioner requested services' (as defined in the Trust's provider licence) are disclosed separately as a percentage of all revenue.

4 Other operating revenue – recurring

	Year Ended 31 March 2016	Year Ended 31 March 2015
	£000	£000
Research and development	22,943	24,260
Education and training	33,571	30,689
Charitable and other contributions to expenditure	2,088	1,526
Non-patient care services to other bodies	11,431	11,041
Other revenue	44,893	51,374
	114,926	118,890

Other revenue includes PFI related income of £4,600,000 (2014/15 – £7,200,000); rental income of £2,141,000 (2014/15 – £2,277,000) due to the leasing of new hospital facilities by the University of Birmingham and Ministry of Defence; £3,346,000 from Clinical Excellence Awards (2014/15 – £4,184,000); recharges of £2,481,000 to the Ministry of Defence to fund the training expenditure of Nurses along with catering and

car parking costs associated with the military contract (2014/15 – £2,605,000); £1,875,000 from the National Quality Assurance Service (2014/15 – £1,506,000); and funding of £1,939,000 (2014/15 – £1,734,000) for the organ retrieval service.

Revenue is almost totally from the supply of services. Revenue from the sale of goods is immaterial.

4.1 Other operating revenue – non recurring

	Year Ended 31 March 2016	Year Ended 31 March 2015
	£000	£000
Impairments reversed to operating revenue	3,069	4,087
Charitable and other contributions to expenditure	13,800	—
Profit on disposal of land	653	5,725
	17,522	9,812

A material element of other operating revenue arises from the £3,069,000 (2014/15 – £4,087,000) reversal of impairments. The reporting year reversal is predominantly due to the newly opened and refurbished 'Institute of Translational Medicine', whereas the prior year surplus was due to the fair valuation of the Trust's PFI 'Queen Elizabeth Hospital Birmingham' building. See notes 14.2 to the financial statements on page XLVI.

Charitable and other contributions to expenditure includes a non-recurring £13,800,000 (2014/15 – £nil)

for the building and refurbishment of the 'Institute of Translational Medicine' as noted above, see note 14.2 to the financial statements on page XLVI. The external funding for the Trust's new research facility is made up of £12,000,000 from the Department of Business Innovation and £1,800,000 from the University of Birmingham.

A non-recurring element of other operating revenue arises from the £653,000 (2014/15 – £5,725,000) profit on disposal of the surplus land at Selly Oak, Birmingham. See note 14.3 to the financial statements on page XLVII.

5 Operating expenses

	Year Ended 31 March 2016	Year Ended 31 March 2015
	£000	£000
Recurring		
Services from Foundation Trusts	6,540	6,467
Services from other NHS Trusts	1,293	975
Services from CCGs and NHS England	29	53
Services from other NHS bodies	2,225	—
Purchase of healthcare from non NHS bodies	15,252	14,366
Directors' costs	1,873	1,820
Non executive directors' costs	176	174
Staff costs	391,035	372,030
Supplies and services – clinical	212,475	192,433
Supplies and services – general	9,491	8,720
Consultancy services	1,048	1,875
Establishment	4,775	5,571
Transport	2,414	1,624
Premises	21,077	19,329
Provision for Impairment of Receivables	(25)	1,854
Depreciation on property, plant and equipment	21,085	21,491
Amortisation on intangible assets	258	238
Loss on Disposal of property, plant and equipment	44	20
Audit services – statutory audit	103	103
Other auditor remuneration – taxation services	—	—
Other auditor remuneration – audit of subsidiaries	20	20
Other auditor remuneration – other services	177	75
Internal audit services	106	157
Clinical negligence	9,679	6,435
Other	39,923	47,411
	741,073	703,241
Non-recurring		
Impairments of property, plant and equipment	18,144	1,837
	18,144	1,837
Total operating expenses	759,217	705,078

Other expenditure includes £26,657,000 (2014/15 – £26,297,000) in relation to payments to the Trust's PFI partner for services provided; Research Grants distributed to other West Midlands NHS organisations of £1,469,000 (2014/15 – £4,560,000) due to the Trust acting as host body for the Allied Health Sciences Network and Training, Courses and Conference fees of £5,025,000 (2014/15 – £4,118,000).

Internal audit services are provided by KPMG LLP. The Trust's contract with its external auditors, Deloitte LLP,

provides for a limitation of the auditors liability of one million pounds sterling. Other audit remuneration – other services includes £30,000 (2014/15 – £24,000) due to audit assurance of the Quality Report, £52,000 (2014/15 – £51,000) due to Local Counter Fraud Services, £80,000 (2014/15 – nil) for consultancy to the Allied Health Sciences Network (research body) an organisation hosted by but separate to the Trust and £15,000 (2014/15 – nil) financial reporting advice in relation to the Trust's tender for a shared patient facility (hospital) funded by a private sector partner.

A material element of other operating expenses arises from the £18,144,000 (2014/15 – £1,837,000) of impairments. The reporting year impairment is predominantly due to the fair valuation of the Trust's PFI

'Queen Elizabeth Hospital Birmingham' building and to a lesser degree the Regent Court and Yardley Court offices, the latter being the prior reporting year's impairment. See note 14.2 to the financial statements on page XLVI.

6 Operating leases

6.1 As lessee

Payments recognised as an expense	Year Ended 31 March 2016	Year Ended 31 March 2015
	£000	£000
Minimum lease payments	684	600

Total future minimum lease payments	Year Ended 31 March 2016	Year Ended 31 March 2015
	£000	£000

Payable:

Not later than one year	469	651
Between one and five years	1,123	658
After 5 years	2,325	985
Total	3,917	2,294

6.2 As lessor

Rental revenue	Year Ended 31 March 2016	Year Ended 31 March 2015
	£000	£000
Rents recognised as income in the period	2,219	2,285

Total future minimum lease payments	Year Ended 31 March 2016	Year Ended 31 March 2015
	£000	£000

Receivable:

Not later than one year	2,219	2,284
Between one and five years	8,151	8,393
After 5 years	20,059	21,216
Total	30,429	31,893

7 Employee costs and numbers

7.1 Employee costs

	Year Ended 31 March 2016			Year Ended 31 March 2015		
	Total	Permanently employed	Other	Total	Permanently employed	Other
	£000	£000	£000	£000	£000	£000
Short term employee benefits – salaries and wages	313,516	301,646	11,870	304,034	293,290	10,744
Short term employee benefits – social security costs	23,633	23,633	—	23,410	23,410	—
Post employment benefits – employer contributions to NHS pension scheme	34,038	34,038	—	32,302	32,302	—
Pension cost – other contributions	12	12	—	9	9	—
Termination benefits	257	257	—	373	373	—
Agency/contract staff	21,747	—	21,747	14,227	—	14,227
Revenue in respect of Salaries and wages where netted off expenditure	(38)	(38)	—	(132)	(132)	—
	393,165	359,548	33,617	374,223	349,252	24,971

Employee costs include those of staff and directors, but exclude non executive director costs. The latter are disclosed separately in operating expenses, see note 5 to the financial statements on page XXXVI. The termination benefits included above are disclosed within 'other' operating expenses in note 5 to the financial statements on page XVI.

7.2 Key management compensation

	Year Ended 31 March 2016	Year Ended 31 March 2015
	£000	£000
Salaries and short term benefits	1,526	1,486
Social Security Costs	190	183
Employer contributions to NHS Pensions Agency	157	151
	1,873	1,820

Key management compensation consists entirely of the emoluments of the Board of Directors of the Trust. Full details of Directors' remuneration and interests are set out in the Directors' Remuneration Report which is a part of the annual report and financial statements.

8 Retirements due to ill-health

During the year to 31 March 2015 there were 13 early retirements from the Trust agreed on the grounds of ill-health (2014/15 – 7). The estimated additional pension liabilities of these ill-health retirements will be £735,000 (2014/15 – £502,865). The cost of these ill-health retirements will be borne by the NHS Pensions Agency.

9 Better payment practice code

9.1 Measure of compliance

	Year Ended 31 March 2016		Year Ended 31 March 2015	
	Number	£000	Number	£000
Trade				
Total trade bills paid in the year	137,423	432,851	119,072	400,089
Total trade bills paid within target	135,008	429,061	115,712	392,546
Percentage of trade bills paid within target	98.24%	99.12%	97.18%	98.11%
NHS				
Total NHS bills paid in the year	6,685	184,965	6,667	180,804
Total NHS bills paid within target	5,860	181,905	6,056	177,814
Percentage of NHS bills paid within target	87.66%	98.35%	90.84%	98.35%

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.

9.2 The late payment of commercial debts (interest) Act 1998

Nil interest (2014/15 – £nil) was charged to the Trust in the year for late payment of commercial debts.

10 Finance income and costs

	Year Ended 31 March 2016	Year Ended 31 March 2015
	£000	£000
Financing income		
Interest receivable	296	307
	296	307
Financing costs		
Interest on obligations under PFI contracts	(22,200)	(22,500)
Interest on obligations under finance leases	(27)	(29)
Other financing charges	(33)	(26)
	(22,260)	(22,555)
Net finance expense	(21,964)	(22,248)

11 Public dividend capital dividends

Public dividend capital ('PDC') dividends paid and due to the Department of Health amounted to £nil (2014/15 – £nil). PDC dividends are calculated as a percentage

(3.5%) of average net relevant assets. The Trust has negative taxpayers' equity as at the current and prior reporting dates hence there is no PDC dividend to pay.

12 Tax recognised in Statement of Comprehensive Income

Recognised in the income statement	Year Ended 31 March 2016	Year Ended 31 March 2015
	£000	£000
Current tax expense		
Current year	25	172
Adjustments in respect of prior years	(7)	(6)
	18	166
Deferred tax expense		
Origination and reversal of temporary differences	—	6
Adjustments in respect of prior years	58	—
Reduction in tax rate	—	—
	58	6
Total tax expense recognised in income statement	76	172

Tax recognised in other comprehensive income is £nil (2014/15 – £nil).

Tax recognised directly in equity is £nil (2014/15 – £nil).

Reconciliation of effective tax rate	Year Ended 31 March 2016	Year Ended 31 March 2015
	£000	£000
Operating surplus before taxation – subsidiaries only *	(378)	370
Tax at the standard rate of corporation tax in the UK 20% (2014/15 – 21%)	82	177
Current year impact of rate change	—	—
Adjustments in respect of prior years	(7)	(6)
Tax effect of expenditure not deductible	1	1
Total tax expense	76	172

*Liability for corporation tax only arises from the activity of the commercial subsidiaries whose combined operating surplus before taxation is disclosed in the segmental analysis note 2 to the financial statements on page XXXI. The activities of the Trust do not incur corporation tax, see accounting policy note 1.24 for detailed explanation.

The impact of rate change arises from the reduction in the rate at which the temporary differences are expected to reverse from 21% to 20%. The standard rate of corporation tax in the UK changed from 21% to 20% with effect from 1 April 2015.

13 Intangible assets

Group and Trust	Computer software – purchased	Licences and trademarks	Total
	£000	£000	£000
Cost			
At 1 April 2014	2,011	332	2,343
Additions	345	116	461
Disposals	(41)	—	(41)
At 31 March 2015	2,315	448	2,763
Additions	—	—	—
Reclassifications	16	185	201
Disposals	(241)	—	(241)
At 31 March 2016	2,090	633	2,723
Amortisation			
At 1 April 2014	1,654	195	1,849
Charged for the year	182	56	238
Disposals	(41)	—	(41)
At 31 March 2015	1,795	251	2,046
Charged for the year	170	88	258
Disposals	(241)	—	(241)
At 31 March 2016	1,724	339	2,063
Net book value			
At 31 March 2016	366	294	660
At 31 March 2015	520	197	717
At 1 April 2014	357	137	494

A separate schedule for the Trust's intangible assets has not been produced as the subsidiaries' have no intangible assets.

All intangible assets of the Group have been purchased and none have been donated, funded by government grant or internally generated.

The valuation basis is described in accounting policy note 1.6. There is no active market for the Group's intangible assets and there is no revaluation reserve.

The estimated useful economic lives of the Group's intangible assets range from two to five years and each asset is being amortised over this period, as described in accounting policy note 1.7.

14 Property, plant and equipment – 2015/16

Group	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Cost									
At 31 March 2015	45,625	447,765	1,467	14,659	102,369	11	17,562	2,608	632,066
Transfers by absorption – modified	—	—	—	—	—	—	—	—	—
Additions purchased / leased	—	6,799	—	1,725	6,719	—	1,086	240	16,569
Additions donated	—	200	—	—	655	—	—	—	855
Reclassifications	—	(25,548)	(330)	(15,746)	149	—	(920)	18	(42,377)
Reversal of impairments credited to operating income	—	3,069	—	—	—	—	—	—	3,069
Impairments charged to operating income	—	(18,144)	—	—	—	—	—	—	(18,144)
Revaluations	—	13,849	191	—	—	—	—	—	14,040
Disposals / derecognition	—	—	—	—	(8,024)	—	(24)	(297)	(8,345)
At 31 March 2016	45,625	427,990	1,328	638	101,868	11	17,704	2,569	597,733
Depreciation									
At 31 March 2015	—	42,209	330	—	65,129	5	13,857	2,139	123,669
Provided during the year	—	10,472	82	—	8,947	2	1,431	151	21,085
Reclassifications	—	(40,655)	(330)	—	(237)	—	(954)	—	(42,176)
Disposals / derecognition	—	—	—	—	(7,980)	—	(24)	(297)	(8,301)
At 31 March 2016	—	12,026	82	—	65,859	7	14,310	1,993	94,277
Net book value									
Owned	2,625	79,526	1,221	632	31,457	4	3,394	550	119,409
Donated	—	7,251	25	6	4,277	—	—	26	11,585
Government granted	—	14,644	—	—	—	—	—	—	14,644
Private Finance Initiative	—	314,543	—	—	—	—	—	—	314,543
Finance Lease	43,000	—	—	—	275	—	—	—	43,275
At 31 March 2016	45,625	415,964	1,246,638	36,009	4	3,394	576	503,456	

14 Property, plant and equipment – 2015/16

Trust	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Cost									
At 31 March 2015	45,625	447,765	1,467	13,513	102,063	11	17,539	2,608	630,591
Transfers by absorption – modified	—	—	—	—	—	—	—	—	—
Additions purchased / leased	—	6,745	—	542	6,251	—	1,044	12	14,594
Additions donated	—	200	—	—	655	—	—	—	855
Reclassifications	—	(27,877)	(330)	(13,417)	149	—	(920)	18	(42,377)
Reversal of impairments credited to operating income	—	3,069	—	—	—	—	—	—	3,069
Impairments charged to operating income	—	(18,144)	—	—	—	—	—	—	(18,144)
Revaluations	—	13,849	191	—	—	—	—	—	14,040
Disposals / derecognition	—	—	—	—	(8,024)	—	(24)	(297)	(8,345)
At 31 March 2016	45,625	425,607	1,328	638	101,094	11	17,639	2,341	594,283
Depreciation									
At 31 March 2015	—	42,209	330	—	65,104	5	13,857	2,139	123,644
Provided during the year	—	10,337	82	—	8,845	2	1,420	104	20,790
Reclassifications	—	(40,655)	(330)	—	(237)	—	(954)	—	(42,176)
Disposals / derecognition	—	—	—	—	(7,980)	—	(24)	(297)	(8,301)
At 31 March 2016	—	11,891	82	—	65,732	7	14,299	1,946	93,957
Net book value									
Owned	2,625	77,278	1,221	632	30,810	4	3,340	369	116,279
Donated	—	7,251	25	6	4,277	—	—	26	11,585
Government granted	—	14,644	—	—	—	—	—	—	14,644
Private Finance Initiative	—	314,543	—	—	—	—	—	—	314,543
Finance Lease	43,000	—	—	—	275	—	—	—	43,275
At 31 March 2016	45,625	413,716	1,246,638	35,362	4	3,340	395	395	500,326

14 Property, plant and equipment – 2014/15

Group	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Cost									
At 31 March 2014	69,350	436,001	1,424	940	94,849	11	16,314	3,761	622,650
Transfers by absorption – modified	—	—	—	—	—	—	—	—	—
Additions purchased / leased	1,950	20,089	—	1,146	8,117	—	1,248	67	32,617
Additions donated	—	—	—	—	607	—	—	—	607
Reclassifications	—	(12,444)	—	12,573	(129)	—	—	—	—
Reversal of impairments credited to operating income	—	4,087	—	—	—	—	—	—	4,087
Impairments charged to revaluation reserve	—	(1,837)	—	—	—	—	—	—	(1,837)
Revaluations	450	1,870	43	—	—	—	—	—	2,363
Disposals / derecognition	(26,125)	(1)	—	—	(1,075)	—	—	(1,220)	(28,421)
At 31 March 2015	45,625	447,765	1,467	14,659	102,369	11	17,562	2,608	632,066
Depreciation									
At 31 March 2014	—	32,243	248	—	57,054	3	11,648	3,258	104,454
Provided during the year	—	9,966	82	—	9,131	2	2,209	101	21,491
Disposals / derecognition	—	—	—	—	(1,056)	—	—	(1,220)	(2,276)
At 31 March 2015	—	42,209	330	—	65,129	5	13,857	2,139	123,669
Net book value									
Owned	2,625	63,498	1,115	2,223	32,231	6	3,705	436	105,839
Donated	—	6,263	22	6	4,688	—	—	33	11,012
Government granted	—	435	—	12,430	—	—	—	—	12,865
Private Finance Initiative	—	335,360	—	—	—	—	—	—	335,360
Finance Lease	43,000	—	—	—	321	—	—	—	43,321
At 31 March 2015	45,625	405,556	1,137	14,659	37,240	6	3,705	469	508,397

The land disposal disclosed above is the sale of the surplus Selly Oak land which was sold to Persimmon plc for residential housing, see note 14.3 to the financial statements on page XLVII for details.

14 Property, plant and equipment – 2014/15

Trust	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Cost									
At 31 March 2014	69,350	436,001	1,424	940	94,728	11	16,314	3,761	622,529
Transfers by absorption – modified	—	—	—	—	—	—	—	—	—
Additions purchased / leased	1,950	20,089	—	—	7,932	—	1,225	67	31,263
Additions donated	—	—	—	—	607	—	—	—	607
Reclassifications	—	(12,444)	—	12,573	(129)	—	—	—	—
Reversal of impairments credited to operating income	—	4,087	—	—	—	—	—	—	4,087
Impairments charged to revaluation reserve	—	(1,837)	—	—	—	—	—	—	(1,837)
Revaluations	450	1,870	43	—	—	—	—	—	2,363
Disposals / derecognition	(26,125)	(1)	—	—	(1,075)	—	—	(1,220)	(28,421)
At 31 March 2015	45,625	447,765	1,467	13,513	102,063	11	17,539	2,608	630,591
Depreciation									
At 31 March 2014	—	32,243	248	—	57,054	3	11,648	3,258	104,454
Provided during the year	—	9,966	82	—	9,106	2	2,209	101	21,466
Disposals / derecognition	—	—	—	—	(1,056)	—	—	(1,220)	(2,276)
At 31 March 2015	—	42,209	330	—	65,104	5	13,857	2,139	123,644
Net book value									
Owned	2,625	63,498	1,115	1,077	31,950	6	3,682	436	104,389
Donated	—	6,263	22	6	4,688	—	—	33	11,012
Government granted	—	435	—	12,430	—	—	—	—	12,865
Private Finance Initiative	—	335,360	—	—	—	—	—	—	335,360
Finance Lease	43,000	—	—	—	321	—	—	—	43,321
At 31 March 2015	45,625	405,556	1,137,13,513	36,959	6	3,682	469	506,947	

The land disposal disclosed above is the sale of the surplus Selly Oak land which was sold to Persimmon plc for residential housing, see note 14.3 to the financial statements on page XLVII for details.

14.1 Estimated useful economic lives

The estimated useful economic lives of the Group's property, plant and equipment are as follows with each asset being depreciated over this period, as described in accounting policy note 1.7.

	Minimum life years	Maximum life years
Buildings (excluding dwellings)	10	50
Dwellings	15	30
Plant and Machinery	5	15
Information technology	2	5
Furniture and fittings	5	10

14.2 Valuation at the reporting date – Group and Trust

The land, buildings and dwellings were valued at the reporting date by an independent valuer, the District Valuation Service 'DVS'. The purpose of this exercise being to determine a fair value for Trust property, as detailed in accounting policy notes 1.5 'Property, plant and equipment – valuation' and 1.28 'Critical accounting judgements and key sources of estimation uncertainty'.

The revaluation exercise resulted in both impairments and a reversal of a previous impairment being charged to operating expenses or credited to operating revenue respectively, within the consolidated statement of comprehensive income.

Impairments of property, plant and equipment

		Year Ended 31 March 2016 £000	Year Ended 31 March 2015 £000
Impairments			
Queen Elizabeth Hospital – PFI facility	1	(17,143)	—
Trust owned property	2	(1,001)	(1,837)
		(18,144)	(1,837)

Reversals of impairments

Queen Elizabeth Hospital – PFI facility	1	—	4,087
External works		53	—
Trust owned property	3	3,016	—
		3,069	4,087

There are no movements on revaluation for assets owned by the subsidiaries, only the Trust's estate is revalued as there are no land or buildings owned by the subsidiaries.

1 The valuation of the 'Queen Elizabeth Hospital Birmingham' PFI hospital gave rise to an impairment resulting from the difference between the fair value in operational use (depreciated replacement cost), as measured at 31 March 2016 compared to 31 March 2015. The estimation technique of the Modern Equivalent Asset has changed due to the inclusion of the assumption that any replacement hospital would be VAT recoverable. VAT is recoverable on PFI builds under HMRC guidelines whereas traditional NHS estate construction is not recoverable and therefore valued gross of VAT. In prior years the PFI was valued gross of VAT in line with all

the estate, it is now recognised that a modern equivalent asset, would be another PFI on the same Edgbaston site, hence VAT would be recoverable on any cost. The impairment is disclosed within operating expenses – non recurring, note 5 to the financial statements on page XXXVI. The prior year comparator was a reversal of impairment and disclosed within other operating revenue – non recurring, note 4.1 to the financial statements on page XXXV.

2 The valuation of the Regent Court and Yardley Court offices gave rise to an impairment due to the difference between the fair value, at the reporting date, compared to the purchase price and subsequent refurbishment works carried out.

3 The valuation of the refurbished 'Institute of Translational Medicine', opened in the reporting year, gave rise to a reversal of impairment equivalent to the estimated fair value of the original building, at the reporting date, had it not actually been written off in 2006. This reversal of impairment is also disclosed within other operating revenue – non recurring, note 4.1 to the financial statements on page XXXV. The remainder of the

actual fair value in operational use, as measured at 31 March 2016 is disclosed as an increase to the revaluation reserve.

The surpluses and deficits upon the revaluation exercise resulted in the following gains and losses being charged to the revaluation reserve, see the Statement of Changes in Taxpayers' Equity on page XX.

Revaluation gains / (losses) on property, plant and equipment

Group	Year Ended 31 March 2016	Year Ended 31 March 2015
	£000	£000
Surpluses due to revaluation of property recognised in other comprehensive income		
Land	—	450
Buildings	13,849	1,870
Dwellings	191	43
	14,040	2,363

The revaluation gains and losses on property, plant and equipment for the Group are the same as for the Trust.

14.3 Profit on the disposal of property, plant and equipment

The sale of the surplus land at Selly Oak, Birmingham to Persimmon plc for residential housing (completed on 31 March 2015), gave rise to a profit on disposal of £653,000 (31 March 2015 – £5,725,000). The profit in the reporting year arises from the difference between the cash received of £9,000,000 and the unwinding of the

discounted receivable owed by Persimmon as disclosed at the previous reporting date. The £19,303,000 still owed by Persimmon is disclosed within trade receivables, see note 20 to the financial statements on page L for details.

14.4 Assets held under finance leases and PFI arrangements – Group

	PFI assets	Assets held under finance leases	Total
	£000	£000	£000
Cost			
At 1 April 2014	361,212	43,449	404,661
Additions	884	—	884
Revaluations	—	250	250
Disposals / derecognition	(1)	—	(1)
Reversal of impairments credited to operating income	4,087	—	4,087
At 31 March 2015	366,182	43,699	409,881
Additions	3,515	—	3,515
Revaluations	—	—	—
Disposals / derecognition	—	—	—
Impairments charged to operating income	(17,090)	—	(17,090)
At 31 March 2016	352,607	43,699	396,306
Depreciation			
At 1 April 2014	23,517	332	23,849
Charged for the year	7,305	46	7,351
At 31 March 2015	30,822	378	31,200
Charged for the year	7,242	46	7,288
At 31 March 2016	38,064	424	38,488
Net book value			
At 31 March 2016	314,543	43,275	357,818
At 31 March 2015	335,360	43,321	378,681
At 1 April 2014	337,695	43,117	380,812

The Private Finance Initiative asset is the new Queen Elizabeth Hospital Birmingham as detailed in note 27.1 to the financial statements on page LV. The impairment is detailed in note 14.2 to the financial statements on page XLVI.

A separate schedule for the Trust's finance lease and PFI assets has not been produced as the subsidiaries' have no assets classified as such. Within finance leased assets is land with a fair value of £43,000,000 (31 March 2015 – £43,000,000), this is the Edgbaston site land leased from the Calthorpe Estate over a 999 year term.

16 Subsidiaries and investments

The Trust's principal subsidiary undertakings and investments as included in the consolidation as at the reporting date are set out below. The reporting date of the financial statements for the subsidiaries is the same as for these group financial statements – 31 March 2016.

Pharmacy@QEHB Limited

The company is registered in the UK, company no. 07547768, with a share capital comprising one share of £1 owned by the Trust. The company commenced trading on the 4 July 2011 as an Outpatients Dispensary service in the new 'Queen Elizabeth Hospital Birmingham' and a significant proportion of the company's revenue is inter group trading with the Trust which is eliminated upon the consolidation of these group financial statements, see note 2 to the financial statements on page XXXI.

UHB Facilities Limited

The company is registered in the UK, company no. 08642236, with a share capital comprising one share of £1 owned by the Trust. The company commenced trading on the 10 October 2014 as a provider of a managed healthcare facility, see note 2 to the financial statements on page XXXI.

Assure Dialysis Services Limited

The company is registered in the UK, company no. 08642238, with a share capital comprising one share of £1 owned by the Trust. The company commenced trading on the 1 January 2015 as a provider of renal

dialysis healthcare, see note 2 to the financial statements on page XXXI.

Birmingham Systems Limited

The company is registered in the UK, company no. 7136767, with a share capital comprising one share of £1 owned by the Trust. The company is dormant and has not yet traded, there are nil assets and liabilities to consolidate into the Trust's financial statements.

The Trust has one investment comprising a 12% shareholding in a company 'Sapere Systems Limited', registered in the UK, company no. 7171338, the Trust's shareholding purchased for £12. This company is dormant and has not yet traded, therefore the investment is recognised in the Trust's statement of financial position at cost.

17 Mergers

The Trust acquired the 'Umbrella' Community Sexual Health Service (SHS) for the city of Birmingham, for which no consideration was paid. This was transferred to the Trust from the Heart of England Foundation Trust and is incorporated into the existing SHS acquired by the Trust in the year 2014/15. No financial assets or liabilities were transferred to the Trust, only the NHS staff (TUPE transfer) who provide the service.

18 Non-current assets held for sale

The Trust has no non-current assets held for sale at the reporting date (31 March 2015 – £nil).

19 Inventories

	Group		Trust	
	31 March 2016 £000	31 March 2015 £000	31 March 2016 £000	31 March 2015 £000
Consumables	8,818	8,251	8,771	8,251
Drugs	6,850	7,203	4,807	5,552
Other finished goods	6	8	6	8
	15,674	15,462	13,584	13,811

Inventories carried at fair value less costs to sell where such value is lower than cost are nil (31 March 2015 – £nil)

The Group expensed £115,347,000 of inventories during the year (2014/15 – £103,342,000). The Group charged £557,000 to operating expenses in the year due to write-downs of obsolete inventories (2014/15 – £257,000).

20 Trade and other receivables

Current

	Group		Trust	
	31 March 2016 £000	31 March 2015 £000	31 March 2016 £000	31 March 2015 £000
NHS receivables	24,937	41,057	24,937	41,057
Receivables with other related parties	6,582	3,850	6,582	3,850
Commercial trade receivables	5,778	12,086	9,755	17,897
Provision for impaired receivables	(2,607)	(3,417)	(2,607)	(3,417)
PFI prepayments – lifecycle replacements	7,993	7,649	7,993	7,649
Prepayments	2,249	2,887	2,236	2,876
Accrued income	213	213	250	213
Other receivables – revenue	4,137	7,014	10,343	7,199
Other receivables – capital	12,250	9,000	12,250	9,000
	61,532	80,339	71,739	86,324

Non current

	Group		Trust	
	31 March 2016 £000	31 March 2015 £000	31 March 2016 £000	31 March 2015 £000
Provision for impaired receivables	(1,127)	(718)	(1,127)	(718)
Other receivables – revenue	5,124	3,624	5,124	3,624
Other receivables – capital	7,053	18,650	7,053	18,650
	11,050	21,556	11,050	21,556

Other receivables – capital of both Group and Trust are the amounts owed by Persimmon plc which are due from the sale of the surplus land at Selly Oak, Birmingham detailed in note 14.3 to the financial statements on page

XLVII. The timing of the future payments are contractual obligations and have been discounted (at 3.5%) to reflect the time value of the cash at the reporting date:

At 31 March 2016	Within one year	Between one and two years	Between two and three years
		£000	£000
Commercial trade receivable – Persimmon	12,250	7,053	—

The land sale contract protects the Trust against the potential of credit risk associated with this material financial instrument by enacting a charge over the land, in proportion to the sale value not yet received in cash. Once the full sale value of £31,850,000 has been received, the security over the land will be discharged.

NHS receivables consist of balances owed by NHS bodies in England, receivables with other related parties consist of balances owed by other HM Government

organisations. Related party transactions are detailed in note 31 to the financial statements on page LVIII.

Included within trade and other receivables of both Group and Trust are balances with a carrying amount of £18,595,000 (31 March 2015: £14,631,000) which are past due at the reporting date but for which no specific provision has been made as they are considered to be recoverable based on previous trading history.

Aged analysis of past due but not impaired receivables

	Group		Trust	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	£000	£000	£000	£000
Not past due date	53,987	87,264	64,194	93,249
By up to three months	6,246	4,247	6,246	4,247
By three to six months	1,402	908	1,402	908
By more than six months	10,947	9,476	10,947	9,476
	72,582	101,895	82,789	107,880

Provision for impaired receivables

	Group		Trust	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	£000	£000	£000	£000
Balance at 1 April	4,135	2,468	4,135	2,468
Increase in provision	2,767	3,847	2,767	3,847
Amounts utilised	(376)	(187)	(376)	(187)
Unused amounts reversed	(2,792)	(1,993)	(2,792)	(1,993)
	3,734	4,135	3,734	4,135

Aged analysis of impaired receivables

	Group		Trust	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	£000	£000	£000	£000
By up to three months	210	950	210	950
By three to six months	65	332	65	332
By more than six months	3,459	2,853	3,459	2,853
	3,734	4,135	3,734	4,135

21 Cash and cash equivalents

	Group		Trust	
	31 March	31 March	31 March	31 March
	2016	2015	2016	2015
	£000	£000	£000	£000
Cash and cash equivalents	59,171	51,268	56,183	49,496
Made up of				
Cash with Government Banking Service	4,214	963	4,214	963
Commercial banks and cash in hand	54,957	50,305	51,969	48,533
Cash and cash equivalents as in statement of financial position	59,171	51,268	56,183	49,496
Cash and cash equivalents as in statement of cash flows	59,171	51,268	56,183	49,496

22 Trade and other payables

Current	Group		Trust	
	31 March	31 March	31 March	31 March
	2016	2015	2016	2015
	£000	£000	£000	£000
NHS payables	8,268	5,988	8,268	5,988
Amounts due to other related parties	5,770	5,498	5,769	5,498
Commercial trade payables	34,462	41,582	35,972	41,789
Trade payables – capital	3,316	2,373	3,261	2,321
Taxes payable	7,307	7,367	7,265	7,354
Other payables	979	1,336	2,137	3,745
Accruals	52,425	44,422	52,840	44,519
Receipts in advance	6,299	4,633	6,299	4,633
	118,826	113,199	121,811	115,847

NHS payables consist of balances owed to NHS bodies in England, amounts due to other related parties consist of balances owed to other HM Government organisations including pensions. Included within amounts due to other related parties are NHS pension contributions of £4,653,000 (31 March 2015: £4,565,000).

Non current trade and other payables are nil (31 March 2015 – £nil).

23 Other liabilities

Current	Group		Trust	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	£000	£000	£000	£000
Deferred income	18,703	18,947	18,613	18,775
Deferred government grant	—	12,000	—	12,000
	18,703	30,947	18,613	30,775

Non current	Group		Trust	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	£000	£000	£000	£000
Deferred income	7,413	10,813	7,413	10,813
Deferred government grant	—	—	—	—
	7,413	10,813	7,413	10,813

24 Deferred tax

An analysis of the movements in the deferred tax liabilities and assets recognised by the group is set out below:

Group only *	Capital allowances	Tax losses	Total
	£000	£000	£000
At 1 April 2014	17	—	17
Charge / (credit) to the income statement	7	—	7
At 31 March 2015	24	—	24
Charge / (credit) to the income statement	58	—	58
At 31 March 2016	82	—	82

* Liability for corporation tax only arises from the activity of the commercial subsidiaries, the activities of the Trust do not incur corporation tax, see accounting policy note 1.24 for detailed explanation.

Deferred tax assets and liabilities have been offset and are to be recovered / settled after more twelve months. The offset amounts are as follows:

	31 March 2016	31 March 2015
	£000	£000
Deferred tax assets	—	—
Deferred tax liabilities	82	24
Net non current deferred tax liability	82	24

There are no unrecognised deferred tax assets or liabilities in the current or prior year.

25 Borrowings

Group and Trust	Current		Non current	
	31 March 2016 £000	31 March 2015 £000	31 March 2016 £000	31 March 2015 £000
Obligations under finance leases	43	40	269	312
Obligations under Private Finance Initiative contracts	12,792	12,589	496,471	509,263
	12,835	12,629	496,740	509,575

The Private Finance Initiative obligation relates to the new Queen Elizabeth Hospital Birmingham as detailed in note 27.1 to the financial statements on page LV.

The prudential borrowing code requirements in section 41 of the NHS Act 2006 have been repealed with effect from 1 April 2013 by the Health and Social Care Act

2012. The financial statements disclosures that were provided previously are no longer required.

The Trust has not utilised any loan or working capital facility in year and there is no such facility in place at the reporting date (31 March 2015 – £nil).

26 Finance lease obligations (other than PFI)

Group and Trust	Minimum lease payments		Present value of minimum lease payments	
	31 March 2016 £000	31 March 2015 £000	31 March 2016 £000	31 March 2015 £000
Gross lease liabilities	399	466	399	466
Of which liabilities are due:				
Not later than one year	67	67	67	67
Later than one year, not later than five years	266	266	266	266
Later than five years	66	133	66	133
Net finance charges allocated to future periods	(87)	(114)	(87)	(114)
Net lease liabilities	312	352	312	352
Not later than one year	43	40	43	40
Later than one year, not later than five years	208	194	208	194
Later than five years	61	118	61	118

The finance lease obligations disclosed relate to medical equipment. The Edgbaston site land is a long term finance lease, detailed in note 14.4 to the financial statements on page XLVIII, this has a nominal charge as the land is covenanted for the 'provision of healthcare and education' to the city of Birmingham.

27 Private finance initiative contracts

27.1 PFI schemes on-statement of financial position – Group and Trust

A contract for the development of the new hospital was signed by the Trust and its PFI partner on 14 June 2006. The purpose of the scheme was to deliver a modern, state of the art acute hospital facility on the QE site which is now fully operational as at the reporting date. This is part of a wider PFI deal between the Trust, Birmingham & Solihull Mental Health Trust and a consortium led by Consort Healthcare (Birmingham) Limited. The ownership of the consortium entity is as follows: Balfour Beatty Infrastructure Investments Ltd (40%), InfraRed Infrastructure Yield Fund (30%) and Infrastructure Investments Holdings Limited, a subsidiary of HICL Infrastructure Company Limited (30%).

The contracted value of the new PFI hospital is £584,600,000 (of which £484,889,000 is capital and £99,711,000 are fees and finance costs incurred prior to 15 June 2010). The 'Queen Elizabeth Hospital Birmingham' was handed over in three phases:

- phase 1 on 15 June 2010 and phase 2 on 17 November 2010 were delivered on schedule and were complete as at 31 March 2011.
- phase 3 on 11 October 2011 was delivered on schedule and was complete as at 31 March 2012.

Total finance lease obligations for on-statement of financial position PFI contracts due

Group and Trust	31 March 2016	31 March 2015
	£000	£000
Gross PFI lease liabilities	806,293	835,503
Of which liabilities are due:		
Not later than one year	29,008	29,210
Later than one year, not later than five years	110,714	111,979
Later than five years	666,571	694,314
Net finance charges allocated to future periods	(297,030)	(313,651)
Net PFI lease liabilities	509,263	521,852
Not later than one year	12,792	12,589
Later than one year, not later than five years	49,827	49,503
Later than five years	446,644	459,760

The PFI obligation above is only that part of the unitary payment allocated to the finance lease rental, ie the annual finance expense and capital repayment of lease liability over the contract term. This apportionment of

the unitary payment is described in accounting policy note 1.11 and the total unitary payment commitment, including annual service expense and lifecycle replacement is disclosed overleaf.

Total annual unitary payment for the reporting period by constituent element

	Year ended 31 March 2016	Year ended 31 March 2015
	£000	£000
Finance lease charge	16,621	17,012
Repayment of finance lease obligation	12,589	12,059
Service element	14,898	14,535
Capital lifecycle maintenance	2,989	3,069
Contingent finance charge (inflation)	5,579	5,488
	52,676	52,163

The service element and finance charges are expensed to the Statement of Comprehensive Income, see notes 5 and 10 to the financial statements on pages 43 and 46 respectively. The repayment of finance lease obligation is a reduction to the net PFI liability disclosed earlier in this note to the financial statements. The capital lifecycle payment is a sum allocated to maintain 'as new' the infrastructure of the QEHB hospital; this is initially prepaid, see note 20 on page L of the financial

statements and subsequently capitalised to property, plant and equipment in the reporting period the work is actually carried out by the PFI provider.

The Trust is committed to making the following unitary payments for on-statement of financial position PFI commitments during the next reporting year and until the contract expires:

Total unitary payment obligations for on-statement of financial position PFI contracts due

Group and Trust	31 March 2016	31 March 2015
	£000	£000
Total future unitary payments committed	1,615,967	1,652,372
Of which liabilities are due:		
Not later than one year	53,354	52,676
Later than one year, not later than five years	212,830	210,706
Later than five years	1,349,783	1,388,990

The Trust will be committed to the full unitary payment till the contract expires on 14 August 2046, at which time the building will revert to the ownership of the Trust. The unitary payment is subject to change based on movements in the Retail Prices Index.

The Trust has the rights to use the Queen Elizabeth Hospital Birmingham for the length of the Project Agreement and has the rights to expect provision of the range of allied and clinical support services, including facilities management and lifecycle maintenance. In addition, the Trust has the rights to possible deductions

from the unitary payment due to the non availability of the infrastructure or under performance regarding the services provided. At the end of the Project Agreement the assets will transfer back to the Trust's ownership.

27.2 PFI schemes off-statement of financial position

The Trust does not have any PFI schemes which are deemed to be off-statement of financial position at the period end.

28 Provisions

Group	Current		Non current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	£000	£000	£000	£000
Pensions relating to other staff	42	41	389	380
Legal claims	604	528	1,973	2,088
Other	146	203	—	—
	792	772	2,362	2,468
	Pensions relating to other staff	Legal claims	Other	Total
	£000	£000	£000	£000
At 1 April 2015	421	2,616	203	3,240
Arising during the year	46	242	57	345
Used during the year	(42)	(223)	(114)	(379)
Reversed unused	—	(85)	—	(85)
Unwinding of discount	6	27	—	33
At 31 March 2016	431	2,577	146	3,154
Expected timing of cash flows:				
Within one year	42	604	146	792
Between one and five years	158	441	—	599
After five years	231	1,532	—	1,763

Trust	Current		Non current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	£000	£000	£000	£000
Pensions relating to other staff	42	41	389	380
Legal claims	604	528	1,727	1,842
Other	146	203	—	—
	792	772	2,116	2,222
	Pensions relating to other staff	Legal claims	Other	Total
	£000	£000	£000	£000
At 1 April 2015	421	2,370	203	2,994
Arising during the year	46	242	57	345
Used during the year	(42)	(223)	(114)	(379)
Reversed unused	—	(85)	—	(85)
Unwinding of discount	6	27	—	33
At 31 March 2016	431	2,331	146	2,908
Expected timing of cash flows:				
Within one year	42	604	146	792
Between one and five years	158	441	—	599
After five years	231	1,286	—	1,517

The provisions included under 'legal claims' are for personal injury pensions £1,843,000 (31 March 2015: £1,957,000), employers and public liability £375,000 (31 March 2015: £301,000) and other claims notified by the Trust's solicitors £112,000 (31 March 2015: £112,000). The provisions for personal injury pensions have been calculated on guidance received from the NHS Business Services Authority – Pensions Division. Employers and public liability have been calculated based on information received from the NHS Litigation Authority (NHSLA) taking into account indications of uncertainty and timing of payments.

Early retirement pension provisions of £431,000 (31 March 2015: £421,000), disclosed as 'pensions relating to other staff' have been calculated on guidance received from the NHS Business Services Authority – Pensions Division.

The Group provision includes an amount of £246,000 (31 March 2015: £246,000) in respect of UHB Facilities Ltd and a tenant's dilapidations contractual commitment for the Rabone Lane site.

Provisions within the annual accounts of the NHS Litigation Authority at 31 March 2016 include £52,291,000 in respect of clinical negligence liabilities of the Trust (31 March 2015: £32,517,000).

29 Contingencies

There are £30,000 of contingent liabilities at the reporting date which relate to amounts notified by the NHSLA for potential employer and public liability claims over and above the amounts provided for in note 28 to the financial statements on page LVII (31 March 2015: £123,000). There are no contingent assets at the reporting date (31 March 2015: £nil).

30 Events after the reporting period

There are no after date reporting events.

31 Related party transactions

University Hospitals Birmingham NHS Foundation Trust is a corporate body established by order of the Secretary of State for Health.

The Trust has taken advantage of the partial exemption provided by IAS 24 'Related Party Disclosures', where the Government of the United Kingdom is considered to have ultimate control over the Trust and all other related party entities in the public sector.

The Trust considers other NHS Foundation Trusts to be related parties, as they and the Trust are under the common performance management of Monitor – part of the NHS in England. During the year the Trust contracted with certain other Foundation Trusts for the provision of clinical and non clinical support services.

The Department of Health is also regarded as a related party. During the year University Hospitals Birmingham NHS Foundation Trust has had a significant number of material transactions with the Department, and with other entities of the NHS in England to which the Department is regarded as the parent organisation.

The Trust has had a number of material transactions with other Government Departments and local Government bodies.

These related parties are summarised below by Government Department, with disclosure of the total balances owed and owing as at the reporting date and total transactions for the reporting year with the Trust:

Group and Trust	Receivables	Payables	Revenue	Expenditure
	£'000	£'000	£'000	£'000
NHS in England				
NHS Birmingham Crosscity CCG	1,961	173	86,885	173
NHS Birmingham South And Central CCG	1,612	—	74,493	—
NHS Dudley CCG	—	110	6,868	—
NHS Redditch And Bromsgrove CCG	286	—	9,539	—
NHS Sandwell And West Birmingham CCG	141	—	21,193	—
NHS Solihull CCG	255	—	7,163	—
NHS South Worcestershire CCG	—	139	3,620	—
NHS Walsall CCG	148	—	4,892	—
NHS England (specialised commissioning)	1,034	—	347,741	—
NHS England (Cancer Drugs Fund)	3,757	—	8,670	—
NHS England (West Midlands)	1,117	—	9,170	—
Health Education England	318	—	32,440	—
Heart of England NHS Foundation Trust	1,133	1,454	1,553	846
Birmingham Women's NHS Foundation Trust	2,030	536	4,399	703
The Royal Orthopaedic Hospital NHS Foundation Trust	441	332	2,705	466
Birmingham Children's Hospital NHS Foundation Trust	1,109	877	3,144	1,547
Birmingham Community Healthcare NHS Trust	592	235	2,742	315
Sandwell and West Birmingham Hospitals NHS Trust	1,277	636	2,391	1,033
Department of Health	152	—	13,286	8
West Midlands Ambulance Service NHS Foundation Trust	6	454	53	5,075
NHS Litigation Authority	4	13	—	9,679
Other	7,564	3,309	42,209	6,037
	24,937	8,268	685,156	25,882

Other related parties – Whole of Government Accounts

Ministry of Defence	1,838	238	4,510	1,818
NHS Pension Scheme	—	4,653	—	34,038
Birmingham City Council	1,163	313	14,045	298
NHS Wales	—	128	7,694	55
NHS Blood and Transport	—	402	3,057	7,043
HMRC	2,638	7,414	—	23,709
	943	36	2,798	22
	6,582	13,184	32,104	66,983

The Trust has also received revenue and capital payments from the University Hospital Birmingham Charities totalling £2,079,000 (2014/15 – £1,526,000).

The financial statements of the parent (the Trust) are presented together with the consolidated financial statements and any transactions or balances between group entities have been eliminated on consolidation. The following directors of the Trust are also board members of the trading subsidiaries, roles as stated:

Trust director	Pharmacy@QEHB Ltd	UHB Facilities Ltd	Assure Dialysis Ltd
Mike Sexton	chair	non-executive	—
Kevin Bolger	non-executive	—	—
Philip Norman	—	—	clinical lead
Dr David Rosser	—	—	non-executive
David Burbridge	co. secretary	co. secretary	co. secretary

The three trading subsidiaries do not have any transactions with any NHS or other Government entity except those with its parent (the Trust) and HMRC (payroll and social security taxes). The Trust's receivables and payables includes the following:

The Trust's receivables include £3,842,000 (31 March 2015 – £5,810,000) owed by and payables include £2,247,000 (31 March 2015 – £3,066,000) owed to Pharmacy@QEHB Ltd. The Trust's revenue includes £717,536 (31 March 2015 – £659,000) received from and expenditure includes £37,369,000 (31 March 2015 – £28,163,000) paid to Pharmacy@QEHB Ltd.

The Trust's receivables include £86,000 (31 March 2015 – £1,283,000) owed by and payables includes £nil (31 March 2015 – £nil) owed to UHB Facilities Ltd. The Trust's revenue includes £67,000 (31 March 2015 – £11,000) received from and expenditure includes £1,217,000 (31 March 2015 – £nil) paid to UHB Facilities Ltd.

The Trust's receivables include £48,000 (31 March 2015 – £35,000) owed by and payables includes £nil (31 March 2015 – £nil) owed to Assure Dialysis Services Ltd. The Trust's revenue includes £39,000 (31 March 2015 – £1,000) received from and expenditure includes £530,000 (31 March 2015 – £nil) paid to Assure Dialysis Services Ltd.

32 Financial instruments and related disclosures

The fair value of a financial instrument is the price at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arms-length transaction. All the financial instruments of the Trust are initially measured at fair value on recognition

and subsequently at amortised cost. The following table is a categorisation of the carrying amounts and the fair values of the Trust's financial assets and financial liabilities:

Carrying values by category of financial instruments

	Notes	Group		Trust	
		31 March 2016 £000	31 March 2015 £000	31 March 2016 £000	31 March 2015 £000
Current financial assets					
Cash and cash equivalents	1	59,171	51,268	56,183	49,496
Loans and receivables:					
Trade and receivables	1	51,290	69,803	61,510	75,799
		110,461	121,071	117,693	125,295
Non-current financial assets					
Loans and receivables:					
Trade and receivables	1	11,050	21,556	11,050	21,556
		11,050	21,556	11,050	21,556
Total financial assets		121,511	142,627	128,743	146,851
Current financial liabilities					
Other financial liabilities:					
Finance leases	2	43	40	43	40
Private Finance Initiative contracts	2	12,792	12,589	12,792	12,589
Trade and other payables	1	105,220	101,199	108,247	103,860
Provisions under contract	1	634	616	634	616
		118,689	114,444	121,716	117,105
Non-current financial liabilities					
Other financial liabilities:					
Finance leases	2	269	312	269	312
Private Finance Initiative contracts	2	496,471	509,263	496,471	509,263
Provisions under contract	1	246	246	—	—
		496,986	509,821	496,740	509,575
Total financial liabilities		615,675	624,265	618,456	626,680
Net financial liabilities		(494,164)	(481,638)	(489,713)	(479,829)

The fair value on all these financial assets and financial liabilities equates to their carrying value.

1. Fair values of cash, trade receivables, trade payables and provisions under contract are assumed to approximate to cost due to the short-term maturity of the instruments.
2. Fair values of borrowings – finance leases and private finance initiative contracts, are carried at amortised cost. Fair values are estimated by discounting expected future contractual cash flows using interest rates implicit in the contracts. The maturity profile of

both finance lease and private finance initiative contract liabilities are disclosed in notes 26 and 27.1 to the financial statements on pages LIV and LV respectively.

The financial assets and financial liabilities of cash and cash equivalents, finance leases and private finance initiative contracts all equate to the amounts disclosed on the statement of financial position and supporting notes to the financial statements. Trade receivables, trade payables and provisions include non-financial assets and liabilities not disclosed in the table above.

The reconciling amounts are as follows:

- Trade receivables includes prepayments which are not a financial instrument, see note 20 to the financial statements on page L.
- Trade payables includes receipts in advance and PDC payable which are not financial instruments, see note 22 to the financial statements on page LII.
- Provisions includes liabilities incurred under legislation, rather than by contract – early retirements due to ill health or injury. These are not considered by HM Treasury to fit the definition of a financial instrument, see note 28 to the financial statements on page LVII.

Risk management policies

The Trust's activities expose it to a variety of financial risks, though due to their nature the degree of the exposure to financial risk is substantially reduced in comparison to that faced by business entities. The financial risks are mainly credit and inflation risk, with limited exposure to market risks (currency and interest rates) and to liquidity risk.

Financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

The Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Trust's standing financial instructions and policies agreed by the board of directors. Trust treasury activity is subject to review by the Investment Committee. The main responsibilities of the Trust's treasury operation are to:

- Ensure adequate liquidity for the Trust,
- Invest surplus cash, and
- Manage the clearing bank operations of the Trust.

i. Credit risk

As a consequence of the continuing service provider relationship that the Trust has with NHS Commissioners and the way those organisations are financed, the

Trust is exposed to a degree of customer credit risk, but substantially less than that faced by business entities. In the current financial environment where NHS Commissioners must manage increasing healthcare demand and affordability within fixed budgets, the Trust regularly reviews the level of actual and contracted activity with the NHS Commissioners to ensure that any income at risk is discussed and resolved at a high level at the earliest opportunity available.

As a majority of the Trust's income comes from contracts with other public sector bodies, see note 2 to the financial statements on page XXXI, there is reduced exposure to credit risk from individuals and commercial entities. The maximum exposures to trade and other receivables as at the reporting date, are disclosed in note 20 to the financial statements on page L, including details of the amounts owing on the sale of surplus land. The Trust mitigates its exposure to credit risk through regular review of receivables due and by calculating a bad debt provision.

In accordance with the Trust's treasury policy, the Trust's cash is held in current accounts at UK banks only. There are no cash or cash equivalent investments held, the result being to minimise the counter party credit risk associated with holding cash at financial institutions.

ii. Inflation risk

The Trust's has exposure to annual price increases of medical supplies and services (pharmaceuticals, medical equipment and agency staff) arising from its core healthcare activities. The Trust mitigates this risk through, for example, transferring the risk to suppliers by contract tendering and negotiating fixed purchase costs (including prices set by nationally agreed frameworks across the NHS) or reducing external agency staff costs via operation of the Trust's own employee 'staff bank'.

The unitary payment of the new 'Queen Elizabeth Hospital Birmingham' private finance initiative contract is subject to change based on movements in the Retail Prices Index (RPI), as disclosed in note 27.1 to the financial statements on page LV.

For the reporting year the relevant RPI index was 256.7 (annualised rate of 1.0%) fixed at February 2015. The sensitivity of the Trust's retained surplus and taxpayers equity to changes in this RPI inflation rate are set out in the following table:

RPI sensitivity analysis

	Year ended 31 March 2016		Year ended 31 March 2015	
	£000	£000	£000	£000
	+1.0%	-1.0%	+1.0%	-1.0%
Retained surplus / (deficit)	(534)	534	(508)	508
Taxpayers' equity	(534)	534	(508)	508

iii. Market risk

The Trust has limited exposure to market risk for both interest rate and currency risk:

Currency risk – the Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and Sterling based. The Trust has no overseas operations nor investments and all Trust cash is held in Sterling at UK banks: Barclays bank and the Government Banking Service 'GBS'. The Trust therefore has minimal exposure to currency rate fluctuations.

Interest rate risk – other than cash balances, the Trust's financial assets and all of its financial liabilities carry nil or fixed rates of interest. Cash balances at UK banks earn interest linked to the Bank of England base rate. The Trust therefore has minimal exposure to interest rate fluctuations.

iv. Liquidity risk

The Trust's net operating costs are incurred under annual service agreements with Clinical Commissioning Groups and NHS England, which are financed from resources

voted annually by Parliament. The Trust ensures that it has sufficient cash or committed loan facilities to meet all its commitments when they fall due. This is regulated by the Trust's compliance with the 'Continuity of Services Risk Rating' system created by Monitor, the Independent Regulator of NHS Foundation Trusts. The Trust is not, therefore, exposed to significant liquidity risks.

v. Capital management risk

The Trust's capital is 'Public Dividend Capital' (PDC) wholly owned and controlled by the Department of Health, there is no other equity. The 3.5% cost of capital – the 'PDC dividend' is disclosed in note 11 to the financial statements on page XXXIX. Therefore, the Trust does not manage its own capital. Liquidity risk and the funding of the Trust's activities are described above.

33 Third party assets

The Trust and Group held £2,963 of cash at the reporting date (31 March 2015: £2,963) which relates to monies held by the Trust on behalf of patients. This has been excluded from the cash and cash equivalents figure reported in the accounts.

34 Losses and Special Payments

	Year ended 31 March 2016		Year ended 31 March 2015	
	Number	£000	Number	£000
Losses				
Cash losses	28	11	13	8
Bad debts and claims abandoned	1,776	223	178	102
Damage to property and stores losses	4	274	—	—
	1,808	508	191	110
Special payments				
Compensation payments	—	—	1	—
Ex gratia payments	139	16	193	23
	139	16	194	23
Total losses and special payments	1,947	524	385	133

There were no clinical negligence, fraud, personal injury, compensation under legal obligation or fruitless payment cases where the net payment or loss for the individual case exceeded £100,000.

The Trust losses and special payments disclosed are the same as the Group, there have been no equivalent payments made by the subsidiaries.

These amounts are stated on an accruals basis but exclude any provisions for future losses.

NATIONAL HEALTH SERVICE ACT 2006

DIRECTION BY MONITOR, IN RESPECT OF FOUNDATION TRUSTS' ANNUAL REPORTS AND THE PREPARATION OF ANNUAL REPORTS

Monitor, in exercise of powers conferred on it by paragraph 24 and 25 of schedule 7 to the National Health Service Act 2006, hereby directs that the keeping of accounts and the annual report of each NHS foundation trust shall be in the form as laid down in the annual reporting guidance for NHS foundation trusts within the NHS Foundation Trust Annual Reporting Manual, known as the FT ARM, that is in force for the relevant financial year.

Signed by authority of Monitor

Signed:

Name: **Jim Mackey (Chief Executive)**

Dated: November 2015

NATIONAL HEALTH SERVICE ACT 2006

DIRECTIONS BY MONITOR IN RESPECT OF NATIONAL HEALTH SERVICE FOUNDATION TRUSTS' ANNUAL ACCOUNTS

Monitor, with the approval of the Secretary of State, in exercise of powers conferred on it by paragraph 25(1) of schedule 7 to the National Health Service Act 2006 (the '2006 Act'), hereby gives the following Directions:

1 Application and Interpretation

1. These Directions apply to NHS foundation trusts in England.
2. In these direction "The Accounts" means:
 - for an NHS foundation trust in its first operating period since being authorised as an NHS foundation trust, the accounts of an NHS foundation trust for the period from point of licence until 31 March; or
 - for an NHS foundation trust in its second or subsequent operating period following initial authorisation, the accounts of an NHS foundation trust for the period from 1 April until 31 March: or
 - for an NHS foundation trust in its final period of operation and which ceased to exist as an entity during the year, the accounts of an NHS foundation trust for the period from 1 April until the end of the reporting period; or
 - "the NHS foundation trust" means the NHS foundation trust in question.

2 Form of accounts

1. The accounts submitted under paragraph 25 of Schedule 7 to the 2006 Act shall show, and give a true and fair view of, the NHS foundation trust's gains and losses, cash flows and financial state at the end of the financial period.
2. The accounts shall meet the accounting requirements of the 'NHS Foundation Trust Annual Reporting Manual' (FT ARM) as agreed with the Secretary of State, in force for the relevant financial year.
3. The Statement of Financial Position shall be signed and dated by the chief executive of the NHS foundation trust.
4. The Annual Governance Statement shall be signed and dated by the chief executive of the NHS foundation trust.

3 Statement of accounting officer's responsibilities

1. The statement of accounting officer's responsibilities in respect of the accounts shall be signed and dated by the chief executive of the NHS foundation trust.

4 Approval on behalf of HM Treasury

1. These Directions have been approved on behalf of the Secretary of State.

Signed by the authority of Monitor

Signed:

Name: **Jim Mackey (Chief Executive)**

