



**Worcestershire
Acute Hospitals**
NHS Trust

Annual Report 2016/2017

Taking PRIDE in our health care service



Acknowledgements and feedback

Acknowledgements

Worcestershire Acute Hospitals NHS Trust wishes to thank its entire staff and the contributors to this Annual Report.

Feedback

Readers can provide feedback on the report and make suggestions for the content of future reports to the Communications Department.

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Quality Account

Our Quality Account for 2016/17 can be found on our website
www.worcsacute.nhs.uk/our-trust/corporate-information/annual-report-and-review-of-the-year/quality-reports

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Introduction



Caragh Merrick
Chairman

Welcome to Worcestershire Acute Hospital NHS Trust's 2016/17 Annual Report.

The Trust has had a very difficult year and this report sets out the financial, performance and governance challenges we have faced.

Meeting our key performance targets has been extremely challenging and we are not shying away from the fact that we have failed to give our patients the quality of service that we would want. Consequently too many of our patients are waiting too long for treatment. The Emergency Access Standard (EAS) which seeks to ensure all patients are seen within 4 hours in our Emergency Department, the Referral to Treatment standard (RTT) which looks to give patients access to treatment within 18 weeks of diagnosis, Diagnostic and Cancer treatment targets have not been met for the entire year and, in some cases, for longer than that.

Additionally the Trust has been under the 'special measures' regime since December 2015 and a subsequent visit from the Care Quality Commission (CQC) in December 2016 resulted in the Trust receiving a section 29A warning notice early this year. This notice means that we did not achieve sufficient improvement in the overall quality of our care to patients and that our care continued to be rated as inadequate by the CQC. We must and do recognise that we are not meeting the high standards of care we aspire to consistently and across all of our services.

While we achieved our financial control target and delivered almost all of our cost improvement target, we still have a significant financial deficit going forward.

The Trust has experienced a long period of temporary and changing leadership which has been a critical factor in our poor performance and the recruitment of a permanent leadership team was something I promised when I took up my position in September 2016. I am delighted to report that we now have a permanent executive leadership team in place led by our new Chief Executive Michelle McKay.

Despite the challenges and disappointments of 2016/17, we must not forget the achievements and successes we can rightly celebrate. The fabulous environment and facilities in our Meadow Birth Centre earned it the title of national Birth Centre of the Year at the MaMa Awards, and the launch of our innovative Maternity Hub at Kidderminster has brought antenatal and postnatal care together for the first time under one roof. I would like to give my thanks and congratulations to the staff involved in making such significant improvements to our maternity care. I also acknowledge and thank the wonderful work of many of our staff in difficult situations. Recent national publicity of the outstanding work in our cardiac department is just one example of the dedication and expertise our staff give to patients in life threatening situations.

We have continued to invest in new technology and in the latest medical interventions – we have a brand new MRI scanner at Redditch, a state-of-the-art endoscopy decontamination unit is underway and a new heart procedure is being carried out, offering cardiac electrophysiology and ablation for arrhythmia patients.

I wish also to mention nearly 60 students who have started the Trainee Nursing Associate course at the University of Worcester. The two-year foundation degree will train a brand new group of Nurse Associates to play a crucial role in our hospitals, filling a gap in skills between current health care assistants and registered nurses.

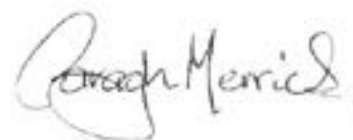
The local public consultation on the Future of Acute Hospital Services in Worcestershire was completed at the end of March and the Governing Bodies of NHS Redditch and NHS Redditch and Bromsgrove, NHS South Worcestershire and NHS Wyre Forest agreed the proposed clinical model in July. The clinical model will ensure we are able to provide safe and sustainable hospital services across Worcestershire. The long-awaited decision will bring much needed stability and certainty for the Trust - in particular it will allow us to give assurance to both current and prospective staff about the future provision of services and will help us with both retaining and attracting staff to the Trust.

Our staff continue to work under considerable pressure. From those on the front line to those who work in the background to keep the

hospitals running, all are vital to the service we provide and I would like to put on record my sincere thanks for their continued commitment and professionalism. I would also like to pay tribute to our volunteers who support us in so many ways, from manning coffee shops to meeting and greeting. In the last year alone they have provided an astonishing 60,000 hours of service to the Trust.

While we have significant challenges to overcome, the permanent Executive and Non-Executive team we now have in place, means we can and will move forward with a new confidence and long term commitment to driving up the quality and standards of care we provide to more than 750,000 patients every year across our three hospitals.

With time, focus and resource we will start to see improvements and I look forward to sharing these successes next year.



Caragh Merrick, Chairman

Performance Report

Performance Overview

Statement from the Chief Executive providing her perspective on performance over the period

Over the past 12 months the Trust has had challenges across the spectrum of quality service provision, performance against Key Performance Indicators (KPIs), financial sustainability and culture. This situation is largely the result of, and exacerbating difficulties in, recruitment of medical and nursing staff, alongside significant instability within the Executive leadership team.

The result of these challenges has created a lack of confidence in the Trust from regulators, funders and community and a negative culture within the Trust.

In terms of quality of service provision, the Trust has been under the 'special measures' regime since December 2015. The subsequent visit from the Care Quality Commission (CQC) in November 2016 resulted in the

Trust receiving a section 29A warning notice in January 2017. This required the Trust to demonstrate significant improvement to the quality of healthcare by 10 March 2017. In addition to concerns about patient safety, the notice also raised considerable concerns about governance and risk management, with the specific comment that 'The board cannot rely on the processes in place or the information they are receiving in order to take assurance that risks are identified and actions taken to reduce the risks to patients'. The report published in June 2017 rated the Trust as inadequate overall.

A series of unannounced and announced visits by the CQC during April 2017, while recognising some improvements, has not satisfied the CQC that significant improvement has occurred. Additionally, there has been deterioration in patient experience, as measured in the annual inpatient survey.

In terms of the KPIs, the Trust has not met the Emergency Access Standard (EAS), Referral to Treatment (RTT), Diagnostic or Cancer targets for the entire year and, in some cases, longer periods. When compared to peer trusts, the Trust ranks consistently in the lower performing

three or four in respective peer groups of approximately 30 trusts.

While the Trust did achieve its financial control target in 2016/17 of a £28.7.6m deficit including delivery of 91% of its cost improvement target of £28m, indicating significantly improved financial control during the year, this still leaves the Trust with a significant financial deficit for the forward years.

Prime drivers of the deficit include premium costs for agency and locum staff due to significant medical and nursing vacancies and non-attainment of additional revenue due to poor performance against key KPIs. Further, the Trust has very little access to capital funding resulting in an inability to invest in infrastructure to support new models of care and technology.

In terms of staff culture, the Trust has seen deterioration through the national annual staff survey. The 2016 result indicated only 48% of staff considered the Trust a good place to work against the average of all acute trusts of 62%. This was a deterioration on the 2015 result. Further only 56% of staff would be happy with the standard of care should a friend or

relative require treatment against the average of all trusts of 70%. The prime reasons for staff sickness are anxiety, stress and depression.

While considerable focus has been placed on recruitment during the last year, there are 153 medical vacancies out of an establishment of 705. There has also been deterioration in this vacancy rate over the last year. Within the nursing stream, there are 164 vacancies in a 1837 establishment. The turnover rate for nursing staff has been consistent at approximately 14% over the last year. Health Education England have also expressed concern about the quality of training delivered within sections of the Trust.

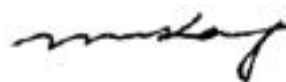
A permanent Board is now in place providing substantive Executive leadership to the Trust for the first time in a number of years.

There are many engaged, motivated and skilled staff within the Trust. In some areas, there is excellent work underway. However there is a lack of clarity in terms of the Trust's vision and priorities and there is confusion regarding the governance structure and decision making processes in the Trust which are the result of considerable turnover in the Trust's executive over the last year.

There has also been a view frequently expressed that the Trust has been good at planning, but poor in delivery.

There is strong support from a number of stakeholders and regulators to assist the Trust to succeed. However, there is a clear view from those who are experienced in challenged Trusts that the depth of distress of the Trust is marked and that, while there is optimism that success is achievable, it will require significant time, focus and resource.

The Board have endorsed a plan that will give a clear focus on the deliverables and accountabilities in the essential areas – Investing in staff; Delivering better performance and flow; Quality and Safety and Stabilising our finances. As we move through the first quarter, the plan will become more detailed and more long term as we improve our services and start to focus on strategic issues for our community. I look forward to sharing the outcomes with you in the next report.



Michelle McKay, Chief Executive





What we do

Worcestershire Acute Hospitals NHS Trust was formed on 1 April 2000 following the merger of Worcester Royal Infirmary NHS Trust, Kidderminster Healthcare NHS Trust, and Alexandra Healthcare NHS Trust. Facilities are distributed across the three sites; the Alexandra Hospital, Redditch; the Kidderminster Hospital and Treatment Centre, and the Worcestershire Royal Hospital, Worcester.

In addition the Trust operates services from three Community Hospitals: Princess of Wales Community Hospital, Evesham Community Hospital and Malvern Community Hospital. The Trust has over 900 beds, over 5,800 employees and has an annual income of £403 million.

The Trust provides a range of Acute Services for the people of Worcestershire. This includes general surgery, general medicine, oncology, emergency care and women and children services. There are a range of support services as well including diagnostics and pharmacy. A full list of the services provided can be found at www.worcsacute.nhs.uk/services.

The Trust predominantly serves the population of the county of Worcestershire with a current population of almost 580,000. This figure is expected to rise to 594,000 by 2021; taken as a whole, the Trust's catchment population is both growing and ageing. Both the male and female population show a projected increase by 2025 in the 70-plus age groups. This is especially apparent in the 75-79 age range, although proportionally the projected rise in the 90-plus age range is higher. The forecast increase in numbers of older people is due to increased life expectancy resulting in greater numbers of older people, particularly females, surviving to very old age (ONS, 2010). The number of older people with dementia is expected to double in the next 20 years. Of note the rate of population growth is greatest in the very old age groups who present the greatest requirements for 'substantial and critical' care. Worcestershire has proportionally a greater number of resident older people than the nation in general.

The Trust's catchment population extends beyond Worcestershire itself, as patients are also attracted from neighbouring areas

including South Birmingham, Warwickshire, Shropshire, Herefordshire, Gloucestershire and South Staffordshire. This results in a catchment population which varies between 420,000 and 800,000 depending on the service type.

Referrals from GP practices outside of Worcestershire currently represent some 13% of the Trust's market share.

Our Vision and Values

Our Vision

Working together with our partners in health and social care we will provide safe, effective, personalised integrated care for local people, delivered consistently across all services by skilled and compassionate staff

Our Values

Our PRIDE values are at the heart of everything we do.

We recruit against these values for every post and they guide our behaviours – these values are non-negotiable and all of us, regardless of grade or job title are required to support them.



Patients

The needs of our patients will determine what we do. Everyone is entitled to privacy, dignity and compassion.



Respect

We respect everyone. Treating patients, colleagues and the public as we would want to be treated ourselves.



Improve and Innovate

We improve and innovate to deliver the best patient care. Thinking innovatively, valuing patient feedback and involving our stakeholders.



Dependable

We provide dependable services recognised for delivering good care. We aim to get things right first time so we continuously learn and improve.



Empower

We want to empower staff to deliver change that benefits our patients. Taking personal responsibility for our actions, challenging situations if something isn't right.

The Trust's Objectives for 2016/17



Investing
in Staff



Delivering better
performance and flow



Quality
and Safety



Stabilising
our finances

Investing in staff

This includes training and development, a focus on high standard appraisals and a commitment to mandatory training. Wherever possible we will employ our own staff to reduce the need for agency and locum staff. Improving our staff engagement is a key focus for us.

Delivering better performance and flow

Making sure that we reduce our waiting times for emergency and elective patients and meet national standards is a measure of our community's access to care.

Improving quality and safety

Learning from complaints, incidents and near misses will help us to improve the care we provide.

Stabilising our finances

This is about us recruiting to vacant posts, reducing our reliance on agency staff, achieving our performance targets and gaining the resultant increased revenue, and making sure we work within our budgets.

For the significant risks to delivery of objectives, please see the Governance Statement starting on page 34.

Going Concern

International Accounting Standards require management to assess as part of the accounts preparation process, the Trust's ability to continue as a going concern. In the context of non-trading entities in the public sector the anticipated continuation of the provision of a service in the future is normally sufficient evidence of going concern. A key consideration of going concern is that the Trust has the cash resources to continue to meet its obligations as they fall due in the foreseeable future.

The financial statements should be prepared on a going concern basis unless there are plans for, or no realistic alternative other than, the dissolution of the Trust without the transfer of its services to another entity within the public sector.

In preparing the financial statements the directors have considered the Trust's overall financial position and expectation of future cash support. The Trust Board confirmed the appropriateness of the going concern assumption for the 2016/17 accounts at its meeting on 3rd May 2017. The Trust submitted a financial plan for 2017/18 to NHS Improvement (NHSI) which delivers a £42.7 million deficit after delivery of a £20.9 million savings programme. The plan recognises that the Trust has insufficient cash resources and includes a requirement for £31.3 million of cash support from the Department of Health to maintain the Trust's cash flow in 2017/18.

Performance Summary 2016/17

The Trust, like many others across the country, has had a challenging year. Performance has deteriorated significantly against the key national standards and is now well below the required levels as summarised below:

- ♥ **Emergency Access Standard** – 81.5% (87.9% in 2015/16) of patients treated or admitted within 4 hours of arriving in A&E compared to the 95% requirement.
- ♥ **Referral To Treatment** – 83.51% (89.2% in 2015/16) of patients treated within 18 weeks of referral compared to the 92% requirement.
- ♥ **Cancer** – 71.8% (81.2% in 2015/16) of patients commenced cancer treatment within 62 days of referral compared to the 85% requirement.
- ♥ **Diagnostics** – 3.55% (1.28% in 2015/16) of patients waited more than 6 weeks for a diagnostic test compared to the 1% threshold.

Further details of our performance during 2016/17 are shown in the table overleaf.

Description of Target	Indicator	2016/17 Target	2016/17 Year End	Period
Quality				
Mortality	HSMR - Hospital Standardised Mortality Ratio	<=100	105.6 #1	Rolling 12 months to Sep 16
	SHMI - Summary Hospital Level Mortality Indicator (rolling 12 months)	<=100	108.2 #2	Rolling 12 months to Sep 16
Infection Control	Clostridium Difficile	<=32	41	Apr 2016 - Mar 2017
	MRSA	0	4	Apr 2016 - Mar 2017
Prevention	VTE - Venous Thromboembolism Risk Assessment	>=95%	94.3%	Apr 2016 - Mar 2017
Patient Experience	Mixed Sex Accommodation Breaches	0	64	Apr 2016 - Mar 2017
Safety Thermometer	Harm Free Score	>=95%	92.6%	Mar 2017
CQUIN	Patients receiving sepsis screening that have been identified as eligible (sample screening in ED)	>=75%	51.3%	April 2016 - Mar 2017
CQC Registration	CQC Conditions or Warning Notes	0	2	April 2016 - Mar 2017
Operational				
Cancer	62 days: Wait for first treatment from urgent GP referral: All Cancers (unadjusted).	>=85%	71.8%	April 2016 - Mar 2017
Cancer	31 days: Wait for first treatment: All Cancers	>=96%	97.1%	April 2016 - Mar 2017
Cancer	2 Week Wait: All Cancer Two Week Wait (suspected Cancer).	>=93%	74.7%	April 2016 - Mar 2017
Cancer	2 Week Wait: Wait for symptomatic breast patients (Cancer not initially suspected).	>=93%	66.6%	April 2016 - Mar 2017
18 Weeks Waiting Time	RTT - Referral to Treatment: Incomplete - 92% in 18 weeks	>=92%	83.5%	Mar 2017
Diagnostic Waiting Time	6 week Diagnostic Waits (% of breaches on the waiting list)	<=1%	3.6%	April 2016 - Mar 2017
A&E Waiting Time	4 Hour Waits (%) - Trust inc MIU	>=95%	81.5%	April 2016 - Mar 2017

Description of Target	Indicator	2016/17 Target	2016/17 Year End	Period
Stroke	80% of patients spend 90% of time in a Stroke Ward*	>=80%	54.8%	April 2016 - Mar 2017
	Direct admission (via A&E) to Stroke Ward*	>=70%	18%	April 2016 - Mar 2017
	TIA - Transient Ischaemic Attack - High Risk Patients seen within 24 hours*	>=60%	38.9%	April 2016 - Mar 2017
Patient Experience				
Friends and Family Test	Acute Wards (Score)	>71	80	April 2016 - Mar 2017
	Acute Wards (Response Rate %)	>=30%	15.7%	April 2016 - Mar 2017
	A&E (Score)	>71	70.2	April 2016 - Mar 2017
	A&E (Response Rate %)	>=20%	5.5%	April 2016 - Mar 2017
	Maternity (Score)	>71	84	April 2016 - Mar 2017
	Maternity (Response Rate %)	>=30%	31.9%	April 2016 - Mar 2017
Finance				
Financial Risk Rating	I&E Surplus Margin % (income and expenditure)	-8.7%	-7.3%	April 2016 - Mar 2017
EBITDA	Earnings before interest, tax, depreciation and amortisation	-2.6%	-0.7%	April 2016 - Mar 2017

* These indicators are rated red for data quality and are being assessed (May 2017).

Performance Analysis

Performance Measurement

Trust performance is measured with reference to a range of national priority standards and targets, covering operational performance, quality and safety, patient experience and the statutory duty to achieve financial breakeven. Enhanced controls facilitated the delivery of an improved financial position in line with the plan, though this still represents a significant deficit. Quality, safety and operational performance concerns continued into 2016/17 with the Trust receiving a Section 29a warning notice from the Care Quality Commission (CQC) and a deterioration in performance against the main operational performance standards due to sustained operational pressures. The Trust has developed a detailed Quality Improvement Plan in response to the CQC Section 29a notice. This is one component of the broader Quality and Productivity Improvement Programme which will form the basis for the Trust's approach to improving, quality, safety, operational performance and financial position during 2017/18.

Performance Management Framework

For 2016/17 the Performance Management Framework was based on the priorities set out in the Trust Control Plan with the deliverables and performance measures detailed in the Performance Framework. The measures were reported on a monthly basis to the Trust Board and its sub committees (for assurance purposes) through the Trust level performance dashboards. Performance against the key national measures is described in more detail in the Integrated Performance Report alongside other measures on an exception basis.

The operational management of performance against the priorities and deliverables was enacted through monthly divisional performance reviews supported by divisional level performance dashboards. In response to CQC recommendations, the clinical governance structures have been reviewed and strengthened with the support of our buddy Trust, Oxford University Hospitals NHS Foundation Trust. This has included the introduction of a performance reporting tool

called the Safety and Quality Information Dashboard (SQulD) that provides a clear line of sight from ward to Board on key clinical quality and safety indicators.

The introduction of a more rigorous Performance Management and Accountability Framework in 2017/18 alongside an organisational development programme is central to the Trust's approach to improving performance. The new Director of Performance role will lead on the development and embedding of the Performance Management and Accountability framework with the aim of creating a performance culture.

Delivery of Operational Performance Standards

The Trust is committed to delivering strong operational performance and ensuring safe, high quality, efficient services, which provide a good experience for the patient and their families.

High levels of emergency demand, the lack of available capacity and flow within the Trust and

within the wider health and social care system, have continued to be significant challenges in 2016/17. These have been key limiting factors in the Trust achieving best possible operational performance and quality of care. Workforce capacity has been a major contributing factor to the deterioration in operational performance particularly in relation to high numbers of consultant vacancies.

Consequently, the four key national standards in relation to Emergency Access, Referral To Treatment (RTT), 62 day Cancer waiting time and Diagnostics have not been met during 2016/17. Plans to improve performance are highly dependent on the ability to recruit consultants, the availability of beds and delivery of planned productivity improvements. Performance against the Emergency Access and diagnostics standards are planned to recover during 2017/18 whereas the 62 day cancer waiting time and RTT performance will take longer to return to the levels required.

Development of specialty level improvement trajectories for the key national performance standards based on demand and capacity modelling will provide clear actions and

performance requirements against which divisions will be held to account through the monthly performance reviews.

The summary of performance can be seen within the Performance Summary section, page 13 and is described in more detail below.

Emergency Access Standard – 95% of patients treated/ admitted from A&E within 4 hours of arriving in A&E

Performance for the Emergency Access Standard has not met the national target of 95% for more than 2 years. With 81.5% of patients treated or admitted within 4 hours, the EAS performance has declined in 2016/17 by 6.4% compared to the 2015/16 performance of 87.9% despite the numbers of attendances being comparable in both years. The principal reason for the performance level is the lack of bed availability caused by delays in discharging some patients with complex needs following completion of their hospital based treatment. The lack of bed availability, particularly

during winter, also resulted in nearly 400 patients waiting more than 12 hours in the A&E Departments from the point at which a decision had been made to admit them. The focus is on supporting the timely discharge of patients through the implementation of national best practice and closer working with partner organisations across the county.

Referral to Treatment (RTT) – 92% of patients to be treated within 18 weeks of referral

The Trust has failed to meet the 92% standard in any month during 2016/17. In March 2017 83.5% of patients were treated within 18 weeks of referral compared to 89.2% the previous year. Performance is not expected to improve significantly during 2017/18 due to the size of the waiting list backlog, continuing high demand and staff shortages in certain specialties.

Cancer – 85% of cancer patients to commence treatment within 62 days of referral

Over the year 71.8% of patients have commenced treatment within 62 days. This is a significant deterioration from the previous year which saw 81.2% of patients commencing treatment within the required timescales. Performance against this standard has been significantly impacted by increased referrals resulting from national awareness cancer campaigns, emergency pressures and medical staffing gaps across a number of specialties. Delays in diagnostic tests are also impacting performance against this standard.

Performance is planned to improve in 2017/18 but the standard is not expected to be achieved.

Diagnostics – no more than 1% of patients to wait more than 6 weeks for a diagnostic test

The Diagnostics standard has not been met in 2016/17 with 3.55% of patients waiting more than 6 weeks. The previous year's performance only marginally missed the standard with 1.28% of patients waiting more than 6 weeks. The delay in patients receiving diagnostic tests is having an adverse impact on the time elapsed before cancer treatment commences. Plans are in place to address the capacity issues in endoscopy with the expectation that the standard will be delivered from the middle of the next financial year.

Trust Plan 2017/18

PRIORITY AREAS	Investing in staff 	Delivering better performance and flow 	Improving quality and safety 	Stabilising our finances 
PRIORITY OBJECTIVES	<ul style="list-style-type: none"> • Recruitment strategy and plan • Comprehensive workplace strategy • Staff engagement and culture 	<ul style="list-style-type: none"> • SAFER bundle implementation • Capacity planning • 'Front door' streaming developments 	<ul style="list-style-type: none"> • Quality improvement strategy • Clinical risk management • Board development 	<ul style="list-style-type: none"> • Model hospital productivity review • Corporate governance review • Strategic planning

Trust Performance Framework 2017/18

Priorities	Deliverables	Measures
Investing in Staff	<ul style="list-style-type: none"> Improved evidence of staff satisfaction Reduction in staff turnover Reduction in sickness absence Improved mandatory training compliance Performance appraisal completion Agreement and implementation of signature behaviours 	<ul style="list-style-type: none"> ChatBack survey results National staff opinion survey results Staff Friends and Family Test scores Staff turnover % Sickness absence % Training compliance % Appraisal rates % Signature behaviour scores
Delivering better performance and flow	<ul style="list-style-type: none"> Start consultant-led treatment within a maximum of 18 weeks from referral for non-urgent conditions Seen by cancer specialist within a maximum of two weeks from urgent GP referral where cancer is suspected A maximum four-hour wait in A&E from arrival to admission, transfer or discharge Patients waiting for a diagnostic test should have been waiting less than six weeks from referral A maximum two-month (62 day) wait from urgent referral for suspected cancer to first treatment All emergency admission must be seen and have a thorough clinical assessment by a suitable consultant ASAP but at the latest within 14 hours from the time of arrival at hospital Improve flow of patients through the hospitals 	<ul style="list-style-type: none"> Referral to Treatment performance and backlog Cancer Two Week Wait performance Cancer 62 day performance Diagnostic waiting time by modality Time to speciality review in Emergency Department Trust Emergency Access Standard Performance Time to first consultant review - emergency admissions Patient Friends and Family Test Patients discharged before midday Reduce number of stranded patients

Priorities	Deliverables	Measures
Quality and Safety	<ul style="list-style-type: none"> • Transparent and efficient incident and complaints processes • Perform timely harm reviews for delays in treatment of patients • Targeted improvement: <ul style="list-style-type: none"> • 'Safe 6': Sepsis, Preventing Deterioration, Acute Kidney Injury, Falls, Pressure Ulcers and Fractured Hip • Improve VTE performance • Prudent antimicrobial prescribing • Reduce device-related infections • Effective Mortality Reviews and share learning • Ensure all emergency equipment is fit for purpose • Ensure safe and timely administration of time critical medicines • Ensure all patients are treated in a single sex environment • Safeguard patients from abuse and improper treatment • Maintain and evidence safe staffing levels • Real time risk assessment of long waiters in A&E 	<ul style="list-style-type: none"> • Improvements in patients surveys/feedback • % harm reviews for long waiters • Eliminate back-log of open incidents • 90% Serious Incidents completed within time frame • Complaints compliance to 25 day standard and 100% acknowledgement in 3 days • Sepsis - compliance to bundle • NEWS/PEWS documentation completed and appropriate escalation • % reduction in falls with harm and overall rate • Eliminate Grade 3 and 4 avoidable pressure ulcers • All patients with Fractured Hip fit for surgery have their operation within 36 hours • Reduction in device related bacteraemia • Mortality reviews completed within agreed timescales • % checks completed • % timely administration of time critical medicines (audit) • Eliminate mixed sex breaches • % patients checked against safeguarding register (audit) • Safe staffing app reports • % completion of A&E real time risk
Stabilising our finances	<ul style="list-style-type: none"> • Drive medical and nursing recruitment • Reduce agency expenditure • Deliver contracted levels of activity • Maintain budgetary control • Deliver the Cost Improvement Programme 	<ul style="list-style-type: none"> • Medical and nursing vacancy rates • % medical and nursing agency expenditure • Actual vs plan budgetary expenditure • Actual vs plan outpatient activity • Actual vs plan daycase elective activity • Actual vs plan inpatient elective activity • Cost Improvement Programme progress against plan

Financial Performance in 2016/17

The trust has reported a deficit of £28.7m for the 2016/17 financial year. This is a significantly improved financial position on 2015/16 which closed with a £59.9m deficit. A number of factors have improved the Trust's financial position over the last 12 months:

- ♥ The Trust achieved £25.5m of Cost Improvement Programme savings during the year. Approximately 75% of these savings will be recurrent year on year and help improve the Trust's underlying position. Some of the work undertaken has been 'audited' by PWC to confirm the success of the savings programme.
- ♥ The Trust was in receipt of £16 million of Sustainability Transformation Funding (STF) in 2016/17. These funds are awarded to providers for performance against financial control totals and performance. The Trust was initially given a potential STF of £13.1 million but due to over-performing against the financial targets, the Trust was awarded £16 million.

- ♥ The Trust has benefited from a one off technical adjustment of c£7million in the financial year. This is due to changes in the PFI contract and how future expenditure will be treated.

The trust has 3 key financial duties and has achieved compliance with the Capital Resource Limit and External Financing Limits but has not achieved the breakeven duty. The breakeven duty is where the Trust must achieve a breakeven position over a 3 year period. The Trust has struggled with this in recent years and as is required under statute our external auditors have informed the Department of Health.

Given this year's deficit a further cash injection of c£81m was received in 2016/17. Payments to Creditors have improved significantly in 2016/17 with 86% of payments with timeframe. While this is still short of national targets, performance has improved drastically from under 50% in 2015/16.

The Trust has invested £11.2m of capital resources in 2016/17 in line with its Capital Resource Limit. This included major developments such as the expansion of the

Emergency Department, as well as replacement of clinical equipment, improvements in IT systems/infrastructure and maintenance of the estate. An emergency loan was granted in March of £2.57m. The Trust worked to meet the conditions to fully complete the projects by the end of the same month.

Looking forward to 2017/18 and beyond

The Trust still has a challenging financial outlook entering 2017/18. Before STF funding the Trust has a targeted deficit of £42.7 million. If the Trust can achieve the targets set by NHSI, then it is possible to earn £12.7million of STF funding and achieve a deficit of £30.0m. The Trust is targeting £20.9m of Cost Improvement Programme savings for 2017/18.

The NHS faces an unprecedented level of future pressure with substantial impending challenges driven by an ageing population; increases in the prevalence of long-term conditions; and rising costs and public expectations within a challenging financial environment. In order to respond to these significant challenges health

and social care providers across Worcestershire are working towards a longer term vision for a truly integrated health and social care system.

The Trust is working with local commissioners to reduce demand for acute hospital based services. Whilst the Trust is committed to appropriate contraction of its capacity, the achievement of this must be in line with a robust phased plan of expanded 24/7 care outside of hospital. Whilst this is being developed, the Trust must ensure sufficient acute headroom to maintain a safe operating environment. Our plans will ensure sufficient capacity to manage medical surge pressures throughout the year not just in the winter period, whilst also addressing the capacity challenges to delivering our elective demand; bringing core capacity back into balance and reduction of a backlog of cases.

In conjunction with the development of the Sustainability and Transformation Plans across the county the Trust's financial plans for the next five years will need to demonstrate a sustainable return to financial balance.

Better Payments

The Better Payments Practice Code (BPPC) targets NHS bodies with paying all non-NHS trade creditors within 30 days of the receipt of goods or a valid invoice (whichever is later) unless other payment terms have been agreed. Severe cash restrictions arising from the Trust's financial position have led to a deterioration in performance in 2015/16 but 2016/17 has seen a significant improvement. The Trust had performance of 36% by number and 51% of value in 2015/16, against the national target of 95%. However in 2016/17 the Trust achieved 86% and 82% respectively. The trust's cash position will remain challenging in 2017/18 with another deficit forecast but plans have been put in place to manage liquidity.

Moving into 2017/18 cash will remain tight but performance is expected to be maintained and improved where possible and due to increased STF funding in 2016/17 improving the opening cash position.



Jill Robinson, Chief Finance Officer

BPPC Target Performance: 95%	Number	£000
Non-NHS Payables		
Total non-NHS trade invoices paid in the year	101,040	209,074
Total non-NHS trade invoices paid within target	86,806	171,678
% of non-NHS invoices paid within target	86%	82%
NHS Payables		
Total NHS trade invoices paid in the year	3,149	35,334
Total NHS trade invoices paid within target	2,387	28,711
% of NHS invoices paid within target	76%	81%
Total Payables		
Total invoice paid in the year	104,189	244,408
Total invoice paid within target	89,193	200,389
% of invoices paid within target	86%	82%

Sustainability Report

The Trust remains committed to being a good corporate neighbour and continues to recognise its responsibilities and obligations with regard to the impact of its business activities on the social, economic and environmental wellbeing of the communities of Worcestershire and the surrounding area. Our 5 year Sustainable Development Strategy and Implementation Plan provides the essential framework for the Trust's continuing journey towards delivering our healthcare business objectives in a sustainable, green, compliant and socially acceptable manner.

Both the Sustainable Development Strategy and Implementation Plans have been developed to align with and secure compliance with the Department of Health's Sustainable Development Unit model requirements for NHS organisations which requires sustainability to be considered and incorporated within our normal activities, processes and procedures so far as is reasonably practicable.

These documents provide an important framework upon which the Trust manages its clinical activities, associated services, buildings, facilities and estates in a manner that promotes environmental economic and social sustainability, to conserve and enhance natural resources, prevent environmental pollution and bring about continuous improvement in the Trust's ability to deliver high quality patient care services whilst avoiding unnecessary waste, rework, nugatory and abortive costs in both time and money, they are promulgated to our stakeholders for incorporation into daily activities.

In challenging times, the Trust remains focussed on this important requirement, planning and allocating those resources necessary to drive its sustainability agenda forward, the Strategy and Plan are reviewed on a regular basis to ensure adequacy, to identify and implement continuous improvements and to proactively manage any areas in need of further enhancement or expenditure.

The Trust takes every opportunity to incorporate sustainability into its construction projects and sustainability is seen as a necessity in providing compliance with Lord Carter's requirements for energy and sustainability savings. We are embarking on an ambitious Energy Performance Contract which will see substantial savings generated by replacing old, inefficient and obsolete assets with newer more sustainable, energy efficient and ecologically friendlier equipment. This will significantly reduce our current energy usage and carbon footprint. We are achieving by utilising innovative procurement methodologies which allows capital expenditure to be offset by the savings generated from the expenditure. In addition the Trust is currently undertaking schemes to consolidate the clinical estate, ensuring that unnecessary estate is closed and assessed for sale or demolition. In particular, on the Kidderminster site the Trust will have closed A block by June 2017, with clinical services moving to other spaces on the site, reducing energy usage and maintenance requirements.

Herefordshire and Worcestershire's Sustainability and Transformation Plan (STP)

The vision for 2020/21 across the STP footprint of Herefordshire and Worcestershire is that "Local people will live well in a supportive community with joined up care underpinned by specialist expertise and delivered in the best place by the most appropriate people".

The STP contains four transformational themes:

Transformation Priority 1

Maximise efficiency and effectiveness across clinical, service and support functions to improve experience and reduce cost, through minimising unnecessary avoidable contacts, reducing variation and improving outcomes.

Transformation Priority 2

Reshape our approach to prevention, to create an environment where people stay healthy and which supports resilient communities, where self-care is the norm and digitally enabled where possible, through Transformation Priority 3.

Transformation Priority 3

Develop an improved out of hospital care model, by investing in sustainable primary care which integrates with community based physical and Mental Health teams, working alongside social care to reduce reliance on hospital and social care beds by shifting to an "own bed is best" model of care.

Transformation Priority 4

Establish sustainable services through development of the right networks and collaborations across and beyond the STP footprint to improve urgent care, cancer care, elective care, maternity services, specialist Mental Health and Learning Disability services.

Worcestershire Acute Hospitals NHS Trust is represented at the STP Partnership Board and the STP Delivery Board and is involved in all of the STP transformational programmes. The Trust is leading and is critical to the successful delivery in a number of areas.

The Future of Acute Hospital Services in Worcestershire programme

The Future of Acute Hospital Services in Worcestershire programme was established in September 2013, with the purpose of taking forward the work of the Joint Services Review. It is led jointly by the three Worcestershire CCGs (NHS Redditch and Bromsgrove CCG, NHS South Worcestershire CCG and NHS Wyre Forest CCG).

The Governing Bodies of the three CCGs agreed to the Future of Acute Hospital Services in Worcestershire reconfiguration in July.



The Clinical Model moves:

- ♥ Most planned orthopaedic surgery from Worcestershire Royal Hospital to the Alexandra Hospital
- ♥ Some planned gynaecology surgery from Worcestershire Royal Hospital to the Alexandra Hospital
- ♥ More planned surgery – eg breast surgery from Worcestershire Royal Hospital to the Alexandra Hospital
- ♥ More ambulatory care (Medical care provided on an outpatient basis including diagnosis, observation, consultation, treatment, intervention and rehabilitation) from Worcestershire Royal Hospital to the Alexandra Hospital
- ♥ All hospital births from the Alexandra Hospital to the Worcestershire Royal Hospital
- ♥ More day case and short stay surgery to Kidderminster Hospital
- ♥ Emergency surgery from the Alexandra Hospital to the Worcestershire Royal Hospital
- ♥ Inpatient children's services from the Alexandra Hospital to the Worcestershire Royal Hospital. (Outpatient and urgent services for children with minor and moderate illnesses will remain at the Alexandra Hospital)

In approving the clinical model, the Governing Bodies agreed it meets the core principles of the Future of Acute Hospitals Services in Worcestershire programme vision that:

- ♥ Patients will receive the highest standards of quality care
- ♥ Services will be provided locally wherever possible and centralised where necessary
- ♥ Services will be integrated across organisational boundaries to provide a seamless experience of care

In addition they made a number of recommendations on future staffing levels, transport, maternity services and the quality of services.

The Trust welcomes the CCG Governing Bodies' approval of the clinical model and the further recommendations that they have made. The clinical model will ensure we are able to provide safe and sustainable hospital services across Worcestershire.

During the five years it took for the model to be developed, increased staff shortages meant that some services had to be moved

on a temporary, emergency basis to keep patients safe. Although it was regrettable that temporary emergency changes in emergency bowel surgery, maternity and children's services were made, it did allow parts of the model to be tested and a number of considerable improvements to patient care were seen in these areas.

For example:

- ♥ Outcomes for patients undergoing emergency bowel surgery have improved
- ♥ Caesarean section rates have improved and are now in line with the national average
- ♥ There is a Senior doctor presence on the delivery suite for twice the number of hours as when there were two separate units, which means more women have immediate access to a senior doctor when they are in labour, should they need it
- ♥ Fewer children are being admitted to hospital – there has been an 11% fall in admissions since the emergency changes due to the involvement of senior doctors who make the decision to admit

The decision will bring much needed stability and certainty for the Trust - in particular it will allow us to give assurance to both current and prospective staff about the future provision of services and will help us with both retaining and attracting staff to the Trust.

A number of enabling works need to be carried out in order to deliver the proposed clinical model and the Department of Health has agreed £29.6 million of new investment to pay for these. These include 81 additional beds, a High Dependency Unit and the creation of 141 new car parking spaces at Worcestershire Royal Hospital. At the Alexandra Hospital in Redditch, plans include the refurbishment and modernisation of operating theatres and improvements to endoscopy facilities.

These plans form part of an Outline Business Case which now needs to be approved by NHSI. We hope to have a final decision on this later in the summer.

Subject to the necessary approvals being received, an implementation plan is in place to deliver these improvements by May 2020.

Engaging with public, patients and stakeholders

Over the year the Board has participated in national and local events hosted by a wide range of partners such as NHS Providers, NHS Improvement, Grant Thornton, PWC and others.

These events provide excellent opportunities for networking and gaining insights to other NHS practices.

Developing working relationships with senior staff in partner organisations has also been a focus, in particular the Health Overview and Scrutiny Committee, HealthWatch, the county's three CCGs and the Health and Care Trust. Board members have worked closely with all partners on the Future of Acute Hospital Services in Worcestershire.

We are delighted that our relationship with the University of Worcester has developed over the past 12 months and we are looking forward to continue to strengthen this partnership. Working with the University we have developed a number of programmes to

support the development of new roles such as the Physicians' Associate Programme and the Associate Nurse Programme. We are also working with the University in the development of a Medical School. In addition we are looking at joint staff appointments in Midwifery and Knowledge Management plus a much closer sharing of resources in clinical training.

The Trust has also been working to continue to develop its relationship with local MPs, with the Chairman and Chief Executive meeting with them on a regular basis.

The Patient Forum continues to work with the Trust and gives valuable feedback on services. A newly appointed associate non-executive director will be working closely with the Forum in the coming year.

Patient representatives have continued to provide valuable input as members of the Trust Board and Quality Governance Committee.



Trainee Nursing Associates in their uniforms, ahead of the start of their in-hospital training.



Rachel Maclean MP meeting with Trust Chief Executive Michelle McKay.

Volunteer Services

Volunteers are a crucial partner in our work across all our sites. The Trust have over 800 active volunteers who undertake a wide range of roles.

Volunteering significantly helps us improve patient experience through the provision of facilities and services on our sites and through individual work with patients on wards. It also builds closer relationships between hospitals and communities. It can also assist with tackling health inequalities, promoting health in harder to reach groups and projects such as our Side by Side initiative with the Alzheimer's Society supporting integrated care. We are delighted that this project, providing activities for patients with dementia, is now being adopted as a national initiative following the pilot which included Worcestershire Royal Hospital.

Volunteers also work with the Trust directly helping us to improve services either as members of our various Panels or as members of specific project groups. They have worked with us this year to update our volunteer

policy and processes to introduce a more consistent approach to volunteering across our sites. Volunteer hours have continued to be collected with 60,000 hours recorded this year – a fantastic achievement. Volunteers also help us improve our services by undertaking a huge range of fundraising work for us. Our Leagues of Friends have raised over £350,000 in the last year to help us fund a variety of projects across the Trust, including purchasing state of the art equipment and improving our hospital environments. Alongside this, individuals and businesses have contributed to the Trust's Charitable Funds raising over £2.5m which has been spent on a range of initiatives including digital dementia reminiscence equipment, reclining chairs for parents to use on the Special Care Baby Unit and on research. These voluntary fundraisers help us provide service enhancements, which are over and above current NHS provision, and contribute significantly to supporting patients and families from across Worcestershire.

As a Trust we are indebted to the huge support we get from the local people of Worcestershire who care passionately about their hospitals.



Side by Side volunteers at Worcestershire Royal Hospital, (left to right) Ade Couper from Alzheimer's Society, with volunteers Jade Gormley, Chloe Dolphin and Becky Webb.



Specialist Speech and Language Therapists, Leanne Bartlett and Helen Griffiths with a new piece of state of the art equipment generously donated by the League of Friends.

Accountability Report

Corporate Governance Report

Directors Report

The Board of Worcestershire Acute Hospitals NHS Trust sets the strategic direction for the Trust and meets six times a year in public at each of our hospitals in rotation. The aim of the Board is to lead by example and to learn from experience and oversee the delivery of safe, effective, personalised and integrated care for local people, delivered consistently across all services by skilled and compassionate staff.

Throughout the year the Board has continued to keep patient experience at the heart of its decisions making and as part of this, a patient story has been presented at each meeting. These stories bring to life the real experiences of patients and are an important part of the Board's learning.

The Trust is committed to setting high standards and the whole board has signed up to the Nolan principles, requiring honesty and integrity in all matters.

The Board

The voting members of Trust Board during 2016/17 were as follows:

Caragh Merrick,
Chairman *from September 2016*

Michelle McKay,
Chief Executive *from 27 March 2017*

Richard Beeken,
Acting Chief Executive *from 8 February to 26 March 2017*, Acting Chief Operating Officer *from 27 March to 3 April*

John Burbeck,
Interim Chairman *from March to September*, Vice Chairman *from September 2016*

Rob Cooper,
Interim Director of Finance *until October 2016*, Director of Financial Recovery *from November 2016*, Acting Chief Executive *from December 2016 until February 2017*

Julie Halliday,
Interim CNO *January 2017 only*

Alan Harrison,
Non-Executive Director *from May 2016 to November 2016*

Stephen Howarth,
Non-Executive Director *until December 2016*

Suneil Kapadia,
Chief Medical Officer *from May 2017*

Philip Mayhew,
Non-Executive Director *from January 2017*

Stewart Messer,
Chief Operating Officer*

Rab McEwan,
Interim Chief Operating Officer *until October 2016*

Bryan McGinity,
Non-Executive Director

Vicky Morris,
Chief Nursing Officer *from March 2017*

Jim O'Connell,
Interim Chief Operating Officer *from April 2017*

Andy Phillips,
Acting Chief Medical Officer *until May 2016*

Gareth Robinson,
Interim Chief Operating Officer *from October 2016 until March 2017*

Jill Robinson,
Interim Director of Finance *from November 2016, Director of Finance from 1 April 2017*

Andrew Short,
Interim Chief Medical Officer *until May 2017*

Andrew Sleigh,
Non-Executive Director *until December 2016*

Chris Swan,
Non-Executive Director *from January 2017*

Janice Stevens,
Interim Chief Nursing Officer *until March 2017*

Chris Tidman,
Interim Chief Executive *until December 2016*

Bill Tunnicliffe,
Non-Executive Director *from November 2016*

Mark Wake,
Chief Medical Officer *until April 2016*

Non-voting members of Trust Board

Denise Harnin,
Director of Human Resources and Organisational Development

Kimara Sharpe,
Company Secretary

Sarah Smith,
Director of Planning and Development

Lisa Thomson,
Director of Communications *until 23 April 2017*

Bill Tunnicliffe,
Associate Non-Executive Director *until November 2016*

Haq Khan,
Acting Director of Performance *from January 2017*

Kiran Patel,
Medical Advisor *from 1 March 2017*

Mark Yates,
Associate Non-Executive Director *from May 2017*

Lynne Todd finished her term of office as Lay Advisor. She sadly died in January 2017 and our condolences are sent to her family.

Details of all the Board members and their declaration of interests can be viewed on the Trust's website www.worcsacute.nhs.uk/our-trust/our-board

Non-Executive Directors

The non-executive directors (NEDs) bring a wealth of experience to the Trust Board, from private sector commercial business to management within a large public sector organisation. The Trust Board currently has no vacancies for non-executive directors. Associate non-executives have been appointed during the year to support the work of the board.

* duties being undertaken by interims

Clinical Engagement in decision making

Input from senior clinicians to the strategic direction of the Trust has been led by the four clinical divisions and the active engagement of their leadership teams.

The Trust held Board of Directors' meetings and Board members were joined by the five divisional medical directors for detailed discussion on the strategic direction of the Trust. This arrangement ceased in Q1 of 2017/18.

Governance

The Trust's 'buddy trust', Oxford University Hospitals NHS Foundation Trust, undertook a Clinical Governance Review which resulted in a review and report of the Trust's governance structure. To continue with our plan to improve performance, during the coming year the Board will undertake a self-assessment and commission an independent review from which an action plan will be developed.

The Governance Structure for the Trust was revised during the year. The revised structure allows the board to gain assurance on the delivery of the corporate objectives, quality of services and the financial and operational performance of the Trust. A detailed diagram of the Trust's governance structure is available on the website www.worcsacute.nhs.uk/our-trust/corporate-information/freedom-of-information/freedom-of-information-publication-scheme

The **Quality Governance Committee's purpose** is to provide assurance to the board on matters relating to quality and safety. Dr Bill Tunnicliffe as chair of the Committee continues to constructively challenge the executives on issues relating to quality and safety and has taken an essential role in assuring the Board on the progress of the Trust's Quality Improvement Plan.

The **Finance and Performance Committee** ensures robust monitoring of the financial health of the Trust and the performance metrics.

The **Audit and Assurance Committee's role** is to provide the Board with assurance that

the governance and assurance processes upon which the Trust Board places reliance, operates effectively and meets the strategic objectives. The committee works closely with the external and internal auditors. The process for managing the Board Assurance Framework is presented to the Committee on a regular basis.

There is overlap of membership of NEDs on the board subcommittees with one Audit and Assurance member also attending the Quality Governance Committee and one member attending the Finance and Performance Committee. The Chair of the Audit and Assurance Committee is a qualified accountant.

Full details of membership of the Trust Committees can be found on page 44 in the Annual Governance Statement section.

Personal Data Incidents 2016/17

Details of Information Governance related incidents can be found in the Annual Governance Statement on page 34.

Statement on Disclosure to Auditors

Each director knows of no information which would be relevant to the auditors for the purposes of their audit report, and of which the auditors are not aware, and has taken 'all the steps that he or she ought to have taken' to make himself/herself aware of any such information and to establish that the auditors are aware of it.

Statement of Accountable Officer's Responsibility

The Chief Executive of NHS Improvement has designated that the Chief Executive should be the Accountable Officer to the Trust.

The relevant responsibilities of Accountable Officers are set out in the Accountable Officers Memorandum issued by the Chief Executive of NHS Improvement.

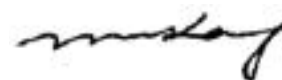
These include ensuring that:

- ♥ there are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance;
- ♥ value for money is achieved from the resources available to the Trust;
- ♥ the expenditure and income of the Trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them;
- ♥ effective and sound financial management systems are in place; and
- ♥ annual statutory accounts are prepared in a format directed by the Secretary of State with the approval of the Treasury to give a true and fair view of the state of affairs as at the end of the financial year and the income and expenditure, recognised gains and losses and cash flows for the year.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in my letter of appointment as an Accountable Officer.

I confirm that the annual report and accounts as a whole is fair, balanced and understandable. I take personal responsibility for the annual report and accounts, and the judgments required for determining that it is fair, balanced and understandable.

Finally, I confirm that, as far as I am aware, there is no relevant audit information of which the Trust's auditors are unaware, and I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the Trust's auditors are aware of that information.



Michelle McKay, Chief Executive

Date: 26 May 2017



Jill Robinson, Chief Finance Officer

Date: 26 May 2017



Annual Governance Statement 2016-17

1. Scope of responsibility

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of Worcestershire Acute Hospitals NHS Trust's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me. I am also responsible for ensuring that the Trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the Accountable Officer Memorandum which includes responsibility for maintaining a sound system for internal control that supports the achievement of the Trust's policies, aims and objectives, whilst safeguarding quality standards and public funds.

I have a duty of partnership to discharge, and therefore work collaboratively with other partner organisations. The Trust is working collaboratively wherever possible with the appropriate Local Authorities, voluntary sector, University and other local education establishments as well as NHS Commissioners (CCGs and NHS England) and other NHS providers of services. The Trust has a range of formal and informal mechanisms in place to facilitate effective working with key partners in the Worcestershire Health Economy. Due to the operational and financial challenges currently faced, these have been operationally focussed through the A&E Delivery Board, which I chair, the Quality Improvement Review Group, the Contract Management Board and the Quality and Service Sustainability sub group of the Future of Acute Hospital Services in Worcestershire Programme Board. The Future of Acute Hospital Services in Worcestershire Programme Board has been a main strategic focus and latterly significant progress has been made. The Trust also has a formal partnership arrangement with University Hospitals Coventry and Warwickshire NHS Trust in relation to Oncology services for Worcestershire.

The Trust has been and remains an active partner in the ongoing development of the five year Herefordshire and Worcestershire Sustainability and Transformation Plan.

The Trust is monitored and assessed by a wide range of external agencies that contribute to the on-going development of the Assurance Framework. These have included the three local Clinical Commissioning Groups, West Midlands Clinical Senate, Cancer Peer Review, Royal Colleges, NHS Improvement (NHS I), NHS England, the Care Quality Commission, the NHS Litigation Authority (now NHS Resolution) and the Health and Safety Executive. This is not an exhaustive list of organisations that monitor and assess the Trust.

Close links continue with partners including NHS England and NHS I through the Future of Acute Hospital Services in Worcestershire programme. I have regular contact with NHS I and NHS England through a range of group, individual, informal and formal meetings.

Effective relationships are also in place with the three Worcestershire clinical commissioning groups, NHS South Worcestershire, NHS

Redditch and Bromsgrove and NHS Wyre Forest. All Executive Directors are fully engaged in the relevant networks, including nursing, medical, finance, operations and human resources.

The Trust has been in the Trust Special Measures regime since December 2015. There was a planned Chief Inspector of Hospitals inspection in November 2016 and the Trust is awaiting the final report. However on January 27 2017, the Trust received a section 29A notice from the CQC. This gave the Trust until 10 March to improve its systems, processes and operation of the governance arrangements. An unannounced visit was carried out by the CQC on April 11 and 12, 2017 across our three main sites, to follow up the issues raised in the warning notice (Section 29A letter).

As at 31 March 2017 the Trust's annual deficit for 2016/17 was £28.7m against a £34.6m planned deficit and its cumulative deficit was £147m. The Trust has significantly improved its financial control in 2016/17, both by achieving financial control targets but also with several internal audits returning significant assurance. The Trust received additional STF funding of £3.127m for performing better than its pre STF

control total and a further STF bonus. These are the most significant factor in the Trust performing so well against its post STF control total. The key drivers for the deficit include the large numbers of locum and temporary staff, the on-going uncertainty around the Future of Acute Hospital Services in Worcestershire Programme, which was established in 2012 to address the sustainability of the medical staffing structures in a number of key specialties and the high demand for services at the Worcester site with increased ambulance conveyances. The Trust is working with partners across the STP to achieve financial balance across the footprint by 2021.

The Trust has complied this year with its statutory duties of External Funding Limit and Capital Resources Limit. However the Trust has not complied with its statutory Break Even Duty required by the National Health Service Act 2006. Grant Thornton, the Trust's external auditors, issued a referral to the Secretary of State under section 30 of the Local Audit and Accountability Act 2014 in April 2016 due to the Trust's failure to comply with the Break Even Duty.

2. The purpose of the system of internal control

The system of internal control is designed to manage risk to an acceptable level rather than to eliminate all risks; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to:

- ♥ identify and prioritise the risks to the achievement of the organisation's aims and objectives,
- ♥ evaluate the likelihood of those risks being realised and the consequence should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in Worcestershire Acute Hospitals NHS Trust for the year ending 31 March 2017.

3. Capacity to handle risk

The CQC inspection and subsequent section 29A warning notice focussed on systems, processes and the operation of the governance



arrangements in place and mitigating risks to patients. The CQC highlighted that significant improvement was required in order to provide assurance that actions are taken to improve safety and quality of patient care.

During the summer of 2016, restructuring of clinical governance processes took place including establishing clear terms of reference membership of all groups and expert forums. The Trust worked with Oxford University Hospitals NHS Foundation Trust to review and rebuild the governance structure and align clinical assurance, performance and improvement assurance. A new Clinical Governance Group (CGG) was introduced to provide greater senior multidisciplinary involvement between the expert forums and the quality sub- committee of the Board.

A fundamental part of embedding a safety culture is ensuring robust identification and management of incidents and ensuring learning is shared at an organisational level. The Trust has weekly Serious Incident Review meetings in place chaired by the CNO and CMO. The group considers Initial Case Reviews (ICRs) for all new Incidents which Divisions have categorised as moderate harm or above, and

those which may require external notification. All incidents are categorised for level of harm by the divisional governance teams using a checklist and escalated to the SI group accordingly. All Divisions attend the group and the ICRs are discussed, including whether the Duty of Candour has been met, whether the terms of reference are appropriate, and that an investigating officer has been allocated.

Each meeting concludes with a lesson of the week for wider learning across the Trust. Once a month cases with important learning which affect multiple divisions are presented at the start of the meeting which is open to all staff to attend.

A quarterly report from the group is submitted to the CGG and then to the Quality Governance Committee (QGC). Minutes from these meetings are shared with the divisions to cascade through their governance systems so staff have the opportunity to read what discussions took place.

As part of strengthening governance the Trust has identified training needs within the Divisions around risk identifications, grading, mitigation and management. The new aligned

governance assurance timetable has brought a clearer line of sight. All governance meetings have revised their terms of reference and have a standard agenda to ensure key governance themes are discussed regularly and periodically. A training needs analysis is currently being compiled by Divisional governance teams to identify where gaps in knowledge exists to enable a targeted training programme to be undertaken over the next year. The Trust has an on-going training programme around Datix and how to register an incident, risk and complaint that is open to all staff from Chair to cleaner on both a classroom based approach and 1-2-1 intensive training. An additional 60 people have been trained to undertake investigations and 55 in effectively responding to complaints. Two further training sessions took place in March and April.

The Trust recognises the Board Assurance Framework (BAF) was not as comprehensive as it needed to be in terms of identifying the strategic and corporate risks and gaps in controls. A review of BAFs across other health organisations took place and the BAF has been re- formatted and the high level risks reviewed. The draft paper outlining recommendations

for the way forward went to the Trust Board in March 2017 and the Board will develop this further at a board development seminar early in June 2017.

Within the Section 29A letter, the CQC identified a number of risk areas that were not accurately documented on divisional risk registers. These have now all been reviewed and added by the Divisions where appropriate. In addition to this, risk management training will take place in June 2017.

Trust Clinical Governance and Information Departments have been working hand in hand developing a ward to board assurance framework around quality. Planned further enhancements began in January 2017 with the launch of a web based assurance system - Safety and Quality Information Dashboard (SQulD). This is a ward to Board system to highlight performance around quality and safety, and when the Trust is not where expected to be, what is being done about it. This is a new streamlined, easy to access, reporting system that incorporates all our agreed key quality metrics, and is aligned to risks, gaps in controls and corrective actions. This can be viewed by all and will be used as

part of the Trust's process to provide ward to Board assurance.

To support this, and to triangulate evidence of compliance, the Trust has strengthened its clinical effectiveness oversight by introducing an extensive set of audits all collated under the SNAP audit framework. From 16 February 2017, Matrons and Governance Leads undertook the first Plan, Do, Study, Act (PDSA) of the new 'Audit Thursdays' - weekly documentation audits commencing with five sets of notes per ward across 27 clinical areas. These audits have provided an initial baseline of documentation completeness and identify areas where training and sustained behaviour change is required.

The Trust recognises the enhanced governance and cultural shift required and how technology can be used to facilitate the improvements. Business cases for an Electronic Prescribing and Medicines Administration (EPMA) and e-Observations are in the process of being developed to support improvements in patient safety, enhance operational effectiveness and facilitate good governance. Both systems have wide ranging patient safety and governance benefits. EPMA will proactively provide

alerts for the administration of time critical medication as well as prevent inappropriate prescribing. The e-Observation system can alert for deteriorating patients, record key assessments and will free up time to care as well as supporting the management of Sepsis and handover of patients amongst a number of other benefits. Business cases for both systems are expected to be presented to Board during Quarter 2 of the 2017/18 financial year. The key constraint is capital funding so the Trust is exploring alternative funding models. Subject to securing the appropriate funding the Trust is expecting to be able to begin implementation of both systems in Q3 of 2017/18.

The Trust reviewed its management of risk in the light of the feedback from the Care Quality Commission Chief Inspector of Hospitals report in December 2015, which was critical of the internal clinical governance arrangements. The Trust also sought advice from Oxford University Hospitals Foundation Trust, our buddy Trust. A full review of the governance arrangements has been undertaken and a clear delineation between assurance and operational performance has been put in place. The Board Committees role is to provide the assurance to the Trust Board, and the Trust

Management Group has been strengthened to ensure that this Group, meeting fortnightly, drives the operational and performance agenda for the Trust. In respect of ward to board line of sight, the Clinical Governance Group, meeting monthly, provides the forum for the senior clinical staff to discuss all issues relating to quality and safety. This group provides assurance to the Quality Governance Committee to report to the Trust Board. This Group is supported by the Divisional Governance Forums and Expert Forums which are trust wide forums covering areas such as infection control, clinical effectiveness and safeguarding.

The Executive lead for Risk Management is the Chief Nurse. The Chief Nurse is also the Executive Lead on Clinical Governance including audit and effectiveness. The Chief Medical Officer has a remit to provide executive responsibility for patient safety and medical revalidation. The Director of Finance leads on information governance, financial risk and anti-fraud and the Company Secretary on corporate governance. The Audit and Assurance Committee gives assurance on the implementation of the Risk Management Strategy.

The Risk Management Strategy is an integral part of the Trust's approach to continuous quality improvement and is intended to support and assist the organisation in delivering its key objectives as well as meeting the requirements contained within the NHS Constitution. The Trust recognised that the management of risk needed to be reviewed during 2016/17. This work continues. However, all risk registers have been reviewed and the Trust is in the process of ensuring that the Board Assurance Framework shows clear links to the risks on the corporate risk register.

With advice from the NHSI Improvement Director, the structure of the Board Assurance Framework was reviewed during the year. The new executive team are now formalising the links between the strategic risks to the Trust and the corporate risk register and this work formed a substantive part of the Board development programme in June 2017.

The Board responded to the section 29A warning notice from the CQC by developing a comprehensive Quality Improvement Plan. This Plan is being monitored through the Quality and Safety Improvement Group (QSIG) which is accountable to the Trust Management Group.

The QSIG also provides assurance to the Quality Governance Committee (QGC) on its progress and the QGC reports this to the Trust Board. The Quality Improvement Plan is published on the Trust website.

I should like to emphasise the importance of the Quality Governance Committee (QGC) and the Clinical Governance Group (CGG). The CGG consists of the Trust senior clinical staff who then are able to assure the QGC on the work of the expert forums and divisions. The Expert Forums accountable to the CGG are as follows:

- ♥ Clinical effectiveness
- ♥ Patient and Carer
- ♥ Research and Development
- ♥ Trust Infection, Prevention and Control
- ♥ Safeguarding
- ♥ Medicine optimisation
- ♥ Incident learning and review
- ♥ Medical devices
- ♥ Deteriorating patient
- ♥ Avoidable mortality
- ♥ Blood transfusion
- ♥ Harm free

The Trust recognises that the process of primary mortality reviews needs to be improved. An electronic reporting system has recently been introduced which is expected to improve rates of reviews. The Trust is working to ensure that it meets the requirements of the report *Learning, candour and accountability: A review of the way NHS trusts review and investigate deaths of patients in England*.

During the year, the Trust has not received any Regulation 28 letters (a report to prevent future deaths) from the Coroner.

The Trust has a Corporate Risk Register in place which outlines the key corporate risks for the organisation and action identified to mitigate these risks. This register has been formed from the risks identified within clinical divisions and corporate services, trust committees and through other risk identification activities.

The Corporate Risk Register new risks for 2016/17 are shown below:

3289 If there is insufficient medical, nursing and physical capacity within gynaecology we will be unable to meet contracted activity.

2664 Insufficient out of hospital capacity to meet the needs of patients with on-going healthcare needs

1941 Lack of available bed capacity may cause overcrowding in ED which can lead to suboptimal care & a poor patient experience

2856 Lack of investment leading to failure of essential plant and machinery causing interruptions in patient care or personal injury

2908 Use and release of information which is inaccurate, false or misleading resulting in reputational and legal damage

2791 If the Medicine Division is unable to sustain appropriate staffing levels it will be unable to provide safe patient care

2711 Risk to quality and safety of patient care due to difficulties in recruiting to nursing vacancies.

3079 Inability to substantiate medical workforce resulting in excess workforce costs and impacts on clinical care

2709 Risk to critically ill patients having delayed admission to ITU due to lack of bed spaces (spaces occupied by wardable patients)

2661 Increased pressure in emergency demand may impact on the safety of patient care and failure to meet performance standards

2396 Poor quality clinical record keeping may lead to a variety of harms to patients and organisation

2736 Lack of Section 12 approved doctors to act as Responsible Clinician prevents legal detentions under Mental Health Act

2662 Increasing emergency demand, reducing elective capacity resulting in failure to deliver 18 week RTT

933 Potential harm due to delay in reporting Radiology examinations, which could impact on timely diagnosis and subsequent treatment

2995 If Patient Safety Incidents are not managed in a timely way there will be missed learning and preventable harm

2857 Failure to manage water system resulting in transmission of harmful pathogens to patients or staff

2774 Failure to provide resilient IT infrastructure resulting in system unavailability which negativity impacts patient care

2663 If emergency demand continues to increase it will result in insufficient elective capacity to deliver the cancer targets.

2994 Failure to meet the NHS England Serious Incident Framework resulting in failure to learn and potential regulatory action

2864 Failure to follow pressure ulcer prevention procedures (risk assessments, position changes, correct equipment) resulting in harm

2899 Failure to provide seven day per week services resulting in inconsistent quality of care, increased LOS, poor clinical outcomes

2148 Lack of capacity for patient appointments within normal working hours within endoscopy, leading to WLI's being undertaken

3065 Risk of patients being unable to access tertiary level care equally

3409 Patients suffering harm as a result of poor temperature control of medicines storage

3414 Failure to initially access and consistently review wound assessments, leading to delay in healing and/or wound deterioration

3423 VTE assessments

3425 If patients do not receive their time critical medications at the correct time, they will be at increased risk of avoidable harm

3430 Safeguarding alerts

3431 Safeguarding information sharing

A targeted piece of work commenced in April 2017 to further review and streamline the corporate risk register to ensure the risks are accurately reflected in line with the current position of the Trust.

Staff continue to be made aware of their risk management responsibilities as part of the induction process, and existing staff are required to attend a mandatory annual update

in respect of risk management. Training needs of staff in relation to risk management are assessed through a formal training needs analysis process, staff receiving training appropriate to their authority and duties. The role of individual staff in managing risk is also supported by a framework of policies and procedures which promote learning from experience and sharing of good practice.

Specific training targeted at executive directors, non-executive directors and managers has been undertaken. Consequently risk management training is being closely monitored, evaluated, improved upon and further developed. The Chief Inspector of Hospitals commented on the lack of achievement of the Trust's target of 95% of all staff undertaking mandatory training. This is to be focussed upon by Divisions and will be monitored through the Trust's performance management framework.

The Trust continues to learn lessons in a variety of ways, including from the following sources:

- ♥ Patients' Advice and Liaison Service (PALS)
- ♥ Complaints and compliments
- ♥ Friends and family test

- ♥ Litigation Claims
- ♥ Clinical Audit and Clinical Outcome Reviews
- ♥ Clinical Incident Reports, reviews and analysis including serious incidents and never events
- ♥ Morbidity and Mortality data (HSMR/SHMI)
- ♥ External Reports (for example the National Confidential Enquiry into Peri-operative Death, reports from the Royal Colleges)
- ♥ Patient and Staff surveys
- ♥ Internal quality inspections
- ♥ Quality performance metrics
- ♥ Board Executive Director walk rounds
- ♥ Non-Executive Director visits
- ♥ External reviews by the CQC, Royal Colleges, NTDA rapid response and Clinical Commissioning Groups.

This is not an exhaustive list of organisations that provide us with reports from which we can learn lessons. Learning lessons is programmed into the weekly serious incident meeting and there is a regular newsletter on learning lessons.

Serious incidents and never events as well as complaints are thoroughly investigated and improvements made at local and corporate levels to reduce the likelihood or reoccurrence. The Trust recognises that response times for investigation could be better and have reviewed the way in which investigations are undertaken.

The Trust is committed to continuous improvements of data quality. The Trust supports a culture of valuing high quality data and strives to ensure all data is accurate, valid, reliable, timely, relevant and complete. Identified risks and relevant mitigation measures are included in the risk register. Work continues to ensure the completeness and validity of all data entry, analysis and reporting.

4. Governance

The voting members of Trust Board during 2016/17 were as follows:

Caragh Merrick,
Chairman *from September 2016*

Michelle McKay,
Chief Executive *from 27 March 2017*

Richard Beeken,
Acting Chief Executive *from 8 February to 26 March 2017. Acting Chief Operating Officer from 27 March 2017 until 3 April 2017.*

John Burbeck,
Interim Chairman *from March 2016 to September 2016*, Vice Chairman *from September 2016*

Rob Cooper,
Interim Director of Finance *until October 2016*, Director of Financial Recovery *from November 2016*, Acting Chief Executive *from December 2016 until 8 February 2017*

Julie Halliday,
Interim Chief Nursing Officer *January 2017 only*

Alan Harrison,
Non-Executive Director *from May 2016 to November 2016*

Stephen Howarth,
Non-Executive Director *until December 2016*

Philip Mayhew,
Non-Executive Director *from January 2017*

Stewart Messer, Chief Operating Officer*

Rab McEwan,
Interim Chief Operating Officer *until October 2016*

Bryan McGinity,
Non-Executive Director

Vicky Morris,
Chief Nursing Officer *from March 2017*

Andy Phillips,
Acting Chief Medical Officer *until May 2016*

Gareth Robinson,
Interim Chief Operating Officer *from October 2016 until 17 March 2017*

Jill Robinson,
Interim Director of Finance *from November 2016*, Director of Finance *from 1 April 2017*

Andrew Short,
Interim Chief Medical Officer *from June 2016 to May 2017*

Andrew Sleigh,
Non-Executive Director *until December 2016*

Chris Swan,
Non-Executive Director *from January 2017*

Janice Stevens,
Interim Chief Nursing Officer *until 31 March 2017*

Chris Tidman,
Interim Chief Executive *until December 2016*

Bill Tunnicliffe,
Non-Executive Director *from November 2016*

Mark Wake,
Chief Medical Officer *until April 2016*

Non-voting members of Trust Board

Denise Harnin,
Director of Human Resources and Organisational Development

Kimara Sharpe,
Company Secretary

Sarah Smith,
Director of Planning and Development

Lisa Thomson,
Director of Communications *until April 2017*

Bill Tunnicliffe,
Associate Non-Executive Director *until November 2016*

Haq Khan,
Acting Director of Performance *from January 2017*

Kiran Patel,
Medical Advisor *from 1 March 2017*

At all meetings there were more non-executive voting members present than executive director members.

Due to the considerable change in board membership throughout 2016/17, the board has not performed a full effectiveness review in 2016/17. Audit and Assurance Committee has reviewed both Quality Governance Committee and Finance and Performance Committee.

* duties being undertaken by interims

Board attendance	Attended
Caragh Merrick, Chairman	3/3
John Burbeck, Interim Chairman, Vice Chairman	8/8
Rob Cooper, Interim Director of Finance, Interim Chief Executive	5/6
Denise Harnin, Director of HR and Organisational Development	7/8
Alan Harrison, Non-Executive director	0/4
Stephen Howarth, Non-Executive director	5/6
Phil Mayhew, Non-Executive director	2/2
Rab McEwan, Interim Chief Operating Officer	4/5
Bryan McGinity, Non-Executive director	8/8
Stewart Messer, Chief Operating Officer	0/0
Andy Phillips, Acting Chief Medical Officer	2/2
Gareth Robinson, Interim Chief Operating Officer	2/3
Jill Robinson, Director of Finance	4/4
Andrew Short, Acting Chief Medical Officer	5/6
Andrew Sleigh, Non-Executive director	5/6
Kimara Sharpe, Company Secretary	8/8
Sarah Smith, Director of Planning and Development	8/8
Jan Stevens, Interim Chief Nursing Officer	7/8
Chris Swan, Non-Executive director	2/2
Chris Tidman, Interim Chief Executive	6/6
Bill Tunnicliffe, Non-Executive director	7/8



Committees as at 31 March 2017

During 2016/17, the Trust Board had the following committees:

- ♥ Audit and Assurance
- ♥ Charitable Funds
- ♥ Finance and Performance
- ♥ Quality Governance
- ♥ Remuneration and Terms of Service
- ♥ Strategy and Transformation
(disestablished April 2016)
- ♥ Workforce Assurance Group
(disestablished August 2016)

All terms of reference for the committees have been revised during the year and approved by the Trust Board.

Each Committee reports to the Trust Board following a meeting. These reports highlight the activities of the Committee and draw the Board's attention to areas of concern. The highlights of the Quality Governance and Audit and Assurance Committee reports to the Trust Board are as follows (this is not an exhaustive list).

Highlights of the Quality Governance and Audit and Assurance Committee reports

Quality Governance	Audit and Assurance
<ul style="list-style-type: none"> • Mortality rates and reviews • Fractured neck of femur - time to theatre • Ward to board reporting • Divisional exception reports and deep dives • Serious Incidents • Complaints 	<ul style="list-style-type: none"> • Review of effectiveness of Quality Governance/Finance and Performance • Board Assurance Framework • Data Quality • Contract Management Board performance • Local Security Management Specialist • Whistleblowing reports • Anti-Fraud • Internal Audit Reports

The purpose together with the attendance for each committee is shown below:

Audit and Assurance Committee

Purpose: The Audit and Assurance Committee has been established to critically review the governance and assurance processes upon which the Trust Board places reliance, ensuring that the organisation operates effectively and meets its strategic objectives. The Audit and Assurance committee works closely with the external and Internal Auditors. The process for managing the Board Assurance Framework is presented to the Committee on a regular basis. It also receives regular reports from the Local Anti Fraud Specialist and Local Security Management Specialist. The Trust currently complies fully with the National Strategy to combat and reduce NHS fraud.

Charitable Funds Committee

Purpose: The Charitable Funds Committee has been established to manage the Trust's Charitable Funds on behalf of the Trust, as Corporate Trustee.

Audit and Assurance Committee	Attended
Bryan McGinity, Chairman	6/7
Stephen Howarth, Non-Executive Director until December 2016	5/5
Andrew Sleigh, Non-Executive Director until December 2016	5/5
Chris Swan, Non-Executive Director from January 2017	2/2
Philip Mayhew, Non-Executive Director from January 2017	1/2

Charitable Funds Committee	Attended
Andrew Sleigh, Chairman	2/2
Bryan McGinity, Non-Executive Director	1/2
Rob Cooper/Jill Robinson, Director of Finance/Chief Finance Officer	0/2
Chief Nursing Officer or Deputy, Jan Stevens	1/2
Chief Medical Officer or Deputy, Andrew Short	0/2



Finance and Performance Committee

Purpose: The purpose of the Finance and Performance Committee (F&P) is to give the Board assurance on the management of the financial and corporate performance of the Trust and to monitor and support the financial planning and budget setting process. The Committee also reviews business cases with a significant financial impact or those referred by the Trust Management Group and oversee developments in financial systems and reporting, for example Service Line Reporting and Patient Level Information and Costing Systems.

Finance and Performance Committee	Attended
John Burbeck, Chairman	11/12
Andrew Sleight, Non-Executive Director <i>until December 2016</i>	8/8
Alan Harrison, Non-Executive Director <i>(May-October 2016)</i>	4/6
Phil Mayhew, Non-Executive Director from January 2017	3/3
Bryan McGinity, Non-Executive Director	12/12
Chris Tidman, Interim Chief Executive	4/7
Jill Robinson, Chief Finance Officer	5/5
Rob Cooper, Interim Director of Finance	7/7
Stewart Messer	0/0
Jan Stevens, Interim Chief Nursing Officer	0/12
Vicky Morris, Chief Nursing Officer	1/1
Haq Khan, Acting Director of Performance	1/1
Denise Harnin, Director of HR and Organisational Development	1/1
Gareth Robinson, Interim Chief Operating Officer	4/5
Sarah Smith, Director of Planning and Development	8/11

Quality Governance Committee

Purpose: The Quality Governance Committee is constituted as a standing committee of the Board to:

- ♥ Enable the Board to obtain assurance that the quality of care within the Trust is of the highest possible standard.
- ♥ Ensure that there are appropriate clinical governance systems and processes and controls are in place throughout the Trust in order to:
 - ♥ Promote safety and excellence in patient care
 - ♥ Identify, prioritise and manage risk arising from clinical care
 - ♥ Ensure the effective and efficient use of resources through evidence based clinical practice.

This Committee assures the Trust Board in relation to quality is overseeing the production of the 2016/17 Quality Account. The contents of the Quality Account were discussed and agreed at the Committee and subsequently

reported to the Board. The Committee also oversees clinical audit activities within the Trust through the subcommittee Clinical Effectiveness Committee (CEC) which receives assurance in relation to clinical audit activity. Clinical audit is part of our quality improvement framework that provides assurance that the Trust is measuring patient care against best practice standards and continuously improving where necessary. Compliance with NICE guidance is also monitored together with corporate and local risks. The final investigative reports in relation to the Never Events are presented to the QGC and then reported to the Trust Board. Clinical Audit is an important feature of our induction and training programme for clinical governance.

The Clinical Governance Group was constituted in September 2016 to provide a forum for senior clinicians to debate and to present quality issues. The CGG reports every month to the Quality Governance Committee. Assurance gleaned through this Group has been variable as attendance is patchy. Senior clinicians from the divisions present their quality exception reports, key risks and mitigations through the corrective action statements. The relevant

divisional dashboard is also presented. The Expert Forum leads also attend. It is the latter which has had variable attendance.

The Quality Governance Committee is key to the assurance to the Trust Board in respect of the Quality Improvement Plan and will in future receive a monthly report from the Quality and Safety Improvement Group. QGC will then assure the board on the progress being made.

The Serious Incident Meeting oversees the management of never events and serious incidents (SIs) and reports to the QGC.

There were two Never Events reported in the Trust between 1 April 2016 and 31 March 2017. These both occurred in theatres:

- ♥ Patient received an anaesthetic block on the wrong side
- ♥ A patient's guidewire was retained following insertion of a large bore catheter

Neither incident caused significant harm to the patients and Duty of Candour was applied in both cases.



One of the incidents has been presented to the Clinical Governance Group and the Quality Governance Forum and the other is scheduled to be presented in the next month.

The main root causes were as follows:

- ♥ Human factors – an assumption by each member of the team that the correct intervention at the correct time was occurring without actually stopping to check.
- ♥ Lack of adherence to Trust Policy and Guideline
- ♥ Communication factors – lack of confidence in being able to point out when a suspected error maybe occurring
- ♥ Lack of Local Safety Standards for Invasive Procedures

All scheduled actions have been completed and there is now a Local Safety Standards for Invasive Procedures (LoCSSIP) in place.

There were 109 serious incidents reported between 01.04.16 and 31.03.17 (compared to 118 the previous year).

Of these 109, 32 are still within the timescales for reporting. Of the 77 that were closed, 48 were closed within the required timeframe of 60 days. Some of these had agreed extensions; however the Trust recognises that this figure needs to improve. The serious incident review and learning group reviews the reports due for closure every week and additional support workshops have recently been established to help investigating officers in the investigation process.

All serious incidents are managed and reviewed at the weekly serious incident review and learning group, which is chaired by the Chief Nursing Officer or Chief Medical Officer. These meetings allow for cross divisional clinical scrutiny. A quality assurance review of investigation reports has commenced in March 2017 and the aim is to complete this monthly, involving commissioning colleagues.

Planned work moving forward is to quality assure the actions arising from investigations and whether these have been completed, whether they are effective and whether they are incorporated into improvement plans/ audits.

From November 2016, every month, a learning forum is available for all staff, where a particular safety topic is presented. This is held prior to the serious incident and learning group. Examples of sessions held were:

- ♥ Learning from the Never Event
- ♥ Learning from an ED incident which incorporated multiple divisions
- ♥ Learning from Excellence and how this works in ITU
- ♥ A Case of Maternal Mortality and Multi-Disciplinary Team Working.
- ♥ Learning from C-diff incidents & the importance of prudent prescribing

As well as this, a 'lesson of the week' is communicated via the weekly brief and some lessons communicated have been in relation to: reviewing of blood results in a timely fashion, learning from never events, effective escalation of deteriorating patients and guidance around informing next of kin about 'do not attempt resuscitation' policies.

During the last year, there has been further training into investigating incidents, which

has allowed for more investigating officers to understand and apply the techniques in ensuring an investigation is robust, credible and thorough.

Remuneration Committee

Purpose: The Remuneration Committee is constituted as a standing committee of the Board for reviewing the structure, size and composition of the Board of Directors and making recommendations for changes where appropriate.

The Committee gives full consideration to and makes plans for succession planning for the chief executive and other executive board directors taking into account the challenges and opportunities facing the Trust and the skills and expertise needed on the Board in the future.

The committee is responsible for setting the remuneration of executive members earning over £70,000 or accountable directly to an executive director and on locally-determined pay.

Quality Governance Committee	Attended
Bill Tunnicliffe, Chairman	11/12
John Burbeck, Non-Executive Director	11/12
Richard Beeken, Interim Chief Executive	1/1
Stephen Howarth, Non-Executive Director	6/9
Stewart Messer, Chief Operating Officer	0/0
Rab McEwan, Interim Chief Operating Officer	6/6
Andy Phillips, Interim Chief Medical Officer	2/2
Gareth Robinson, Interim Chief Operating Officer	0/4
Andrew Short, Acting Chief Medical Officer	7/10
Kimara Sharpe, Company Secretary	12/12
Jan Stevens, Interim Chief Nurse	10/12
Chris Swan, Non-Executive Director	2/3
Chris Tidman, Interim Chief Executive	1/8

Remuneration Committee	Attended
Caragh Merrick, Chairman	3/3
John Burbeck, Interim Chairman/Non Executive Director	5/5
Stephen Howarth, Non-Executive Director	2/2
Andrew Sleigh, Non-Executive Director	2/2



Strategy and Transformation Board

This committee met once in April 2016 and was dissolved following this meeting.

Workforce Assurance Group (WAG)

The purpose of the group was to assess the workforce implications of the Trust strategic objectives, national HR workforce strategies, employment legislation and local initiatives and develop and implement and monitor the Trust's response. The Group was dissolved in August 2016.

Due to the considerable change in board membership throughout 2016/17, the board has not performed a full effectiveness review in 2016/17. Audit and Assurance Committee has reviewed both Quality Governance Committee and Finance and Performance Committee.

Strategy and Transformation Board	Attended
Andrew Sleigh, Chairman	1/1
Stephen Howarth, Non-Executive Director	0/1
Andy Phillips, Interim Chief Medical Officer	0/1
Sarah Smith, Director of Planning and Development	1/1
Chris Tidman, Interim Chief Executive	0/1
Rab McEwan, Interim Chief Operating Officer	0/1

Workforce Assurance Group	Attended
John Burbeck, Chairman	4/4
Alan Harrison, Non-Executive Director	3/3
Denise Harnin, Director of HR and Organisational Development	2/4
Lisa Miruszenko, Chief Nurse (Deputy)	2/4
Sarah Smith, Director of Planning and Development	0/4

5. The risk and control framework

The Risk Management Strategy is an integral part of the Trust's approach to continuous quality improvement and is intended to support and assist the organisation in delivering its key objectives as well as meeting the requirements contained within the NHS Constitution.

The Trust Board has reviewed the effectiveness of the Board Assurance Framework and as a consequence at the March 2017 meeting agreed a change of format as advised by the NHSI Improvement Director. This format was subsequently approved by the Audit and Assurance Committee. The Trust Board is currently populating the Assurance Framework. It was felt important for the new Trust Board to be involved in the development of the Assurance Framework. The Audit and Assurance Committee monitors the effectiveness of the risk management strategy.

Head of Internal Audit Opinion for 2016/17 in relation to the Board Assurance Framework states:

Limited assurance can be given as weakness in the design, and inconsistent application of control, put the achievement of the organisation's objectives at risk. The Trust has been operating under Special Measures regime since December 2015, which was put in place by the NHS regulatory body the Care Quality Commission (CQC), following an inspection. In January 2017, the Trust received a Section 29A warning notice from the CQC following its re-inspection in November 2016. In addition to this, the Trust has highlighted 6 other significant internal control issues within its Annual Governance Statement.

The Trust risk management strategy was updated and approved in November 2016. With the commencement of the new executive team, this is going through further review in April and May 2017, to ensure the reporting arrangements are robust and also to ensure high trust wide risks are captured effectively.

The Trust identifies risks from a range of internal, external, proactive and reactive sources. The stages involved in risk management are defined in the Trust risk strategy as follows:

- ♥ Identify the risk and the owner
- ♥ Evaluate the risk
- ♥ Compare against tolerance
- ♥ Identify controls and actions required
- ♥ Implement controls
- ♥ Monitor/ measure effectiveness

The strategic risks presented to the Board through the Board Assurance Framework, identified by the Board and monitored through Committees, are as follows:

2665 If we do not redesign services in a timely way we will have inadequate numbers of clinical staff to deliver quality care

2678 If we do not attract and retain key clinical staff we will be unable to ensure safe and adequate staffing levels

2790 As a result of high occupancy levels, patient care may be compromised

2932 Turnover of Trust Board members adversely affecting business continuity and impairing the ability to operate services

2893 Failure to engage and listen to staff leading to low morale, motivation, and productivity and missed opportunities

3038 If the Trust does not address concerns raised by the CQC inspection the Trust will fail to improve patient care

3193 If the Trust does not achieve patient access performance targets, there will be significant impact on finances

2894 Failure to enhance leadership capability resulting in poor communication, reduced team working, and delays in resolving problems

2895 If we do not adequately understand & learn from patient feedback we will be unable to deliver excellent patient experience

2902 If the Trust does not achieve safety targets, it will fail to reduce avoidable harm & reported mortality rate to expected levels

2904 If there is inadequate culture and staff development for improvement, the Trust will not be able to continuously improve

3140 If the Trust doesn't proactively manage its reputation, regional confidence and recruitment will be adversely affected

3290 If plans to improve cash position fail the Trust will be unable to pay creditors impacting on supplies to support services

3291 Deficit is worse than planned and threatens the Trust's long term financial sustainability

2900 If the Trust does not expand renal services, patients will have to travel further and experience fragmented care

2899 Failure to provide seven day per week services resulting in inconsistent quality of care, increased LOS, reduced clinical outcomes

During the year 2016/17, the Trust had the following conditions/warning notices from the CQC:

♥ Section 31 Condition placed on registration (requirement to report 15 minute triage breaches and Harm Reviews) emergency department, Worcestershire Royal Hospital (30 March 2015)

♥ Section 29 Warning Notice, Regulation 15 emergency department security, Worcestershire Royal Hospital and Alexandra Hospital (30 March 2015)

♥ Section 29 Warning Notice Regulation 16 emergency department staffing, Worcestershire Royal Hospital (30 March 2015)

♥ Section 29 Warning Notice, Regulation 22, emergency department staffing, Worcestershire Royal Hospital (30 March 2015)

♥ Section 31 Condition, Radiology, trust wide (16 August 2016)

♥ Section 29A warning notice focussing on the systems, processes and the operation of the governance arrangements in place for identifying and mitigating risks to patients in relation to which significant improvement is required

The CQC carried out an unannounced inspection at Worcestershire Royal on 27 July 2016. The purpose was to look at specific aspects of the care provided by radiology services.

Following this, the Trust was required to take appropriate steps to resolve the backlog of radiology reporting. Based on the findings of this inspection conditions were imposed on the Trust's registration as a service provider.

CQC inspectors carried out a second formal inspection between 22 and 25 November 2016 with unannounced inspection visits on 7, 8 and 15 December 2016. This inspection resulted in the Trust receiving a Section 29A warning notice letter from the CQC on 27 January 2017 where concerns were outlined relating to all three of the Trust's main hospital sites. The primary reasons for the notice focused on the systems, processes and the operation of the governance arrangements in place for identifying and mitigating risks to patients in relation to which significant improvement is required

The Section 29A warning notice focussed on three areas:

- ♥ Patient safety - urgent care pathway;
- ♥ Quality governance systems in the organisation (how do you know patients are safe);
- ♥ Inconsistency of compliance in clinical wards and services with local/national policies and procedures or standards, together with issues such as mandatory training compliance

The Trust responded to the Section 29A warning notice on 9 March 2017 with a detailed narrative setting out the actions being taken by the Trust in respect of every concern raised in the CQC letter, appendices which provided evidence relating to the actions described in the covering narrative and a comprehensive Quality Improvement Plan and all of its constituent plans and projects, which is split into three distinct themes of action. The Plan has associated with it a dashboard which seeks to measure the progress being made on the action being taken by the Trust, in the form of outcomes or outputs.

Risk Management is embedded within the organisation through the Trust's committee structure, through the development of future plans and through the consideration of all risk management issues at the planning stage of organisational/clinical changes. Embedding also takes place through the existence of an incident reporting and feedback system, the inclusion of risk management within job descriptions (including both training and the processes for the assessment of risk) and the reporting and investigation of incidents.

Innovation and learning in relation to risk management is considered to be critical. The Trust's e-based reporting system, Datix, has been rolled out throughout the organisation so that incidents can be input at source and data can be interrogated through ward, team and locality processes, thus encouraging local ownership and accountability for incident management. The Trust identifies and makes improvements as a result of incidents and near misses in order to ensure it learns lessons and closes the loop by improving safety for service users, staff and visitors.

The 2016 staff survey results were disappointing but understandable given the turmoil within the Trust in the past year. Engagement activities with staff are being implemented with a Trust wide culture change program currently under development.

The Trust appointed a Non-Executive Director to fulfil the role of Freedom to Speak Up Champion. With the imminent departure of that individual, the Board is considering an alternate approach.

The Trust places a high priority on the secure handling and accurate recording of



personal, confidential data (PCD) on behalf of its patients and staff and has measures in place to ensure the security of its information resources and assets.

The Trust continues to achieve an overall satisfactory status in the Information Governance Toolkit with a level 2 for 43 standards and a level 3 for the remaining 2. A business and 6 month focus plan are in place to support year on year improvement in the scores and this is monitored by the Information Governance Steering Group (IGSG), chaired by the Senior Information Risk Owner (SIRO).

The Trust has reported to the Information Commissioner's Office (ICO) 5 Information Governance Serious Incidents during 2016/7. The ICO has responded to the 5 incidents stating no further action is required due to the response provided and actions taken by the Trust. Lessons learned have been shared within the Trust along with the regular support and guidance which is published via the Weekly Brief. A booklet covering all the key IG messages was sent to every member of staff with their payslips in the first quarter of 2016.

The Trust has made a significant improvement for IG training in quarter 3 and will maintained

at above 90% for quarter 4 onwards. Staff are also provided with guidance in the Weekly Brief and awareness sessions for all staff at the Trust Induction.

The Trust has appointed a clinical lead for data quality and is implementing a strategy to assure the complete, accurate and timely recording of all patient information.

The strategic Data Quality Steering Group (DQSG) has been initiated and work is underway to support the improvement in the recording of all patient data at source in line with the 'Right First Time' policy. Work has commenced with clinical staff to improve the timeliness and quality of the Electronic Discharge Summary (EDS) and with clerical staff to ensure the correct GP is recorded at source.

The DQSG and the Health Records Committee report to IGSG and regular assurance reports will be provided to the Quality Governance Committee.

The Trust works closely with public stakeholders to involve them in understanding and supporting the management of risks that impact upon them. Stakeholders are able

to influence the Trust in a number of ways, including patient involvement groups and public involvement in the activities of the Trust. In addition, the Chief Executive and Chairman meet the local MPs regularly. The Trust is also an active participant the Future of Acute Hospital Services in Worcestershire Programme, which has a jointly owned risk register. The Trust has directly engaged public stakeholders in the risk management process through the Patient & Public Forum and through PALS. In addition a patient and public forum member sits on the Quality Governance Committee. Public involvement also occurs through the Trust complaints procedure and summaries of complaints are reviewed at the patient and public involvement forum. A patient representative also sits on Trust Board.

Over recent years, the Trust has paired each non-executive director with a Division to enable a direct link from the ward to the board. The non-executive directors have been able to inform their decision making with first-hand knowledge of the front line. This approach is currently being reviewed and the Board places great importance on the 'ward to board' line of sight.

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with through Trust policies, training and audit processes, ensuring equality impact assessments are undertaken and published for all new and revised policies and services. Quality Impact Assessments (QIAs) are also undertaken when appropriate and are considered at the Finance and Performance Committee. A summary of the QIAs is discussed at the Quality Governance Committee.

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

The Trust has undertaken risk assessments and developed an Adaption Plan to support its emergency preparedness and civil contingency

requirements. Additionally, based on UK Climate Projections 2009 (UKC P09), the Trust continues to implement the Sustainability Strategy which was approved by the Board in 2014.

In order to reduce economic crime against the NHS, it is necessary to take a multi-faceted approach that is both proactive and reactive. The Trust's local Anti-Fraud Specialist (AFS) adopts three key principles, in accordance with the NHS anti-fraud strategy. These are designed to minimise the incidence of economic crime against the NHS and to deal effectively with those who commit crime. The three key principles are:

A. **Inform and involve** those who work for, or use the NHS, about economic crime and how to tackle it. NHS staff and the public should be informed and involved to increase everyone's understanding of the impact of economic crime against the NHS. This takes place through communications and promotion such as face to face anti-fraud presentations, public awareness campaigns and media management. The Counter Fraud Specialist now presents as part of the Trust induction. Working

relationships with stakeholders are strengthened and maintained through active engagement.

- B. **Prevent and deter** economic crime in the NHS to take away the opportunity for crime to occur or to re-occur and discourage those individuals who may be tempted to commit economic crime. Successes are publicised internally during anti-fraud presentations and using other media opportunities so that the risk and consequences of detection are clear to potential offenders. Those individuals who are not deterred should be prevented from committing economic crime by robust systems, which will be put in place in line with policy, standards and guidance.
- C. **Hold to account** those who have committed economic crime against the NHS. The Trust's AFS is a professionally accredited investigator and is qualified to the required standards. Once allegations of suspected economic crime are received by the Trust, the AFS must ensure that investigations are undertaken to satisfy national legislation. The Trust encourages the prosecution of offenders, and where

appropriate refers offenders to their professional bodies for disciplinary sanction. Economic crimes must be detected and investigated, suspects prosecuted where appropriate, and other methods of redress sought where possible. Where necessary and appropriate, economic crime, investigation and prosecution will take place locally wherever possible. Nevertheless the AFS also works in partnership with the police and other crime prevention agencies to take investigations forward to criminal prosecution.

6. Review of economy, efficiency and effectiveness of the use of resources

The External Auditor has indicated that he intends to issue a qualified Value for Money (VfM) Conclusion for 2016/17. This is due to the Trust's financial deficit, its failure to achieve key performance targets and the outcome of the CQC inspection. The qualified VfM Conclusion means that External Audit will not be providing assurance on effective use

of resources for the year 2016/17. Similarly, the Head of Internal Audit's limited assurance opinion indicates that there are caveats to his opinion with respect to the Trust's use of resources.

The Trust set four annual objectives for the year 2016/17. This was because of the operational, quality and financial pressures and the Board considered that annual objectives would be more relevant than longer term strategic objectives. These objectives were cascaded within the Trust and each paper for committees and board considers its relevance against those objectives. For 2017/18, the Board will set strategic objectives. The objectives will link the financial strategy to the corporate objectives, scrutiny of cost savings plans both to ensure achievement and their impact upon the quality of patient care, compliance with terms of authorisation and co-ordination of individual objectives with corporate objectives as identified in the Annual Plan. The safe management of the operational pressures and increased medical vacancies led to significant levels of expenditure on temporary medical staffing. A combination of these factors resulted in the Trust setting a deficit

plan of £38m for 2016/17 which was met. Performance against objectives is monitored and actions identified through a number of channels:

- ♥ Approval of annual budget by the Trust Board.
- ♥ Detailed Monthly review by the Finance and Performance Committee on key performance indicators covering finance, activity, and human resources targets
- ♥ Monthly reporting to the Quality Governance Committee on patient safety and quality.
- ♥ Bimonthly reporting by the subcommittees to the Trust Board
- ♥ Monthly review of the delivery of Cost Improvement Plans by the Finance and Performance Committee to ensure that savings targets are being met.
- ♥ Weekly reporting to Executive Team on key influences on the Trust's financial position, e.g. agency expenditure.
- ♥ Monthly divisional performance meetings
- ♥ Fortnightly Trust Management Group meetings where key operational decisions are made

The Trust reported a £28.7m deficit for the year ended 31 March 2017. This is a significant improvement on last year's performance, even allowing for the STF Funding. The Trust still has a number of financial pressures linked to temporary medical staffing. Demand for services remains particularly high, with an increased number of ambulance conveyances.

The financial deficit position for 2016/17 has required the Trust to access £43.9m of revenue cash support from the Department of Health to be able to maintain the payment of creditors through the year.

The 2016/17 Internal Audits gave the Trust significant assurance for Financial Controls, Procurement and Budget setting, monitoring and reporting processes. The Trust also achieved CIP savings and efficiencies of £25.5m against a £28m target. This represents 91% of target.

The Trust has an annual planning process which considers the resources required to deliver the organisation's service plans in support of the strategic objectives. These annual plans detail the workforce and financial resources required to deliver the service objectives and include the identification of

cost savings based on achieving upper quartile productivity benchmarks.

The Trust has a standard assessment process for future business plans to ensure value for money and full appraisal processes are employed when considering the effect on the organisation.

Procedures are in place to ensure all strategic decisions are considered at Executive and Board level.

The emphasis in Internal Audit work is providing assurances on internal controls, risk management and governance systems to the Audit and Assurance Committee and to the Board. Where scope for improvement, in terms of value for money was identified during an Internal Audit review, appropriate recommendations were made and actions were agreed with management for implementation.

As part of the annual accounts review, the Trust's efficiency and effectiveness of its use of resources in delivering clinical services are assessed by its External Auditors and the auditor's qualified Value for Money Conclusion is published with the Trust's 2016/17 accounts.

7. Review of effectiveness

As Accountable 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 divisional directors within Worcestershire Acute Hospitals NHS Trust that have responsibility for the development and maintenance of the internal control framework. I have also drawn on the content of the Quality Report and other performance information available to me.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by Trust Board, the Audit and Assurance Committee, the Quality Governance Committee, Trust Management Committee, clinical audit, internal and External Audit and by my Executive Team. Plans to address any weaknesses and ensure continuous improvement of the system are in place.

The Assurance Framework provides me with evidence that the effectiveness of controls put in place to manage the risks to the organisation



achieving its principal objectives have been reviewed. The Assurance Framework has been reviewed and is currently in the process of being populated after advice from the Improvement Director.

My review is also informed by reports from external inspecting bodies including External Audit and the PLACE (Patient-Led Assessments of the Care Environment) inspections. This is the system for assessing the quality of the patient environment. Following the National PLACE Audit results published in August 2015 the Trust has implemented a comprehensive Action Plan which is reviewed regularly by the Patient and Carer Experience Committee.

Regular mini PLACES continue as part of quality assurance.

All regular Committees of Trust Board are chaired by Non-Executive Directors to reflect the need for independence and objectivity, ensuring that effective governance and controls are in place. This structure ensures that the performance of the organisation is fully scrutinised. The Committee structure supports the necessary control mechanisms throughout

the Trust. The Committees have met regularly throughout the year and each report to the Board following their meetings.

The Audit and Assurance Committee is charged with monitoring the effectiveness of internal control systems on behalf of the Board and continues to do so as part of its work programme.

The role of Internal Audit at the Trust is to provide an independent and objective opinion on the system of control. The opinion considers whether effective risk management, control and governance arrangements are in place in order to achieve the Trust's objectives. The work of Internal Audit is undertaken in compliance with the NHS Public Sector Internal Audit Standards. The work to be undertaken by Internal Audit is detailed in the annual audit programme. The audit programme includes a risk assessment of the Trust, based on the Trust's assurance framework, an evaluation of other risks identified in the Trust's risk register and through discussion with management. Internal Audit reports the findings of its work to management, and action plans are agreed to address any identified weaknesses.

Significant Internal Audit findings are also reported to the Audit and Assurance Committee for consideration and further action if required. A follow up process is in place to ensure that agreed actions are implemented. Internal Audit is required to identify any areas at the Audit and Assurance Committee where it is felt that insufficient action is being taken to implement recommendations to address identified risks and weaknesses.

The Head of Internal Audit's overall opinion for 2016/17 is that only limited assurance can be given as weaknesses in the design and/or inconsistent application of controls put the achievement of the Trust's objectives at risk in a number of areas reviewed.

Limited assurance has been reported by Internal Audit in the following areas:

- ♥ Waiting List Initiatives
- ♥ Complaints

Moderate assurance was provided with regard to:

- ♥ Medical Revalidation – Follow Up
- ♥ Serious Incidents – Follow Up
- ♥ Patients Monies

- ♥ Data Quality – 18 week RTT reporting
- ♥ Temporary staffing
- ♥ Financial Sustainability and Outcomes

The Head of Internal Audit also referenced the serious concerns raised by the CQC resulting in special measures and the deteriorating financial deficit of the Trust.

The External Auditors have now made a referral to the Secretary of State for Health under s30 of the Local Audit and Accountability Act 2014 as the opinion for value for money is qualified.

I am supported by the Executive Team, consisting of the Executive Directors. For the first time for a number of years, there are substantive appointments to key executive director posts. The Divisional Structure ensures that the Trust is clinically led in all areas of strategy. This structure enables me to ensure that clinical leadership and management arrangements are in place supported by robust and clear governance and accountability processes.

The Chairman is now a substantive appointment and there are no gaps within the non-executive director structure.

NHS Improvement appointed an Improvement Director to support the Trust in turning around its performance. This post has been in place throughout 2016/17. The Trust also received senior medical support from Birmingham Women's Foundation Trust with respect to the maternity service, Birmingham Children's Foundation Trust in respect of paediatrics and Oxford University Hospitals Foundation Trust in respect of clinical governance.

NHS bodies are not required to comply with the UK Code of Corporate Governance. However, we have reported on our corporate governance arrangements by drawing upon the best practice available, including those aspects of the UK Corporate Governance Code we consider to be relevant to the Trust and best practice.

8. Compliance with key national targets and standards

The Trust is committed to delivering all national and contractual targets and standards. On 31 March 2017, the Trust was non-compliant with the following key targets: Emergency

Access Target, 18 weeks referral to treatment – incomplete pathways, cancer performance (2 weeks and 62 days) and diagnostics waiting time.

9. Significant issues

I consider that the Trust had seven significant issues during the year 2016/17 as detailed below.

Issue 1

During the year 2016/17, the Trust had the following conditions/warning notices:

- ♥ Section 31 Condition placed on registration (requirement to report 15 minute triage breaches and Harm Reviews) emergency department, Worcestershire Royal Hospital (30 March 2015)
- ♥ Section 29 Warning Notice, Regulation 15 emergency department security,
- ♥ Worcestershire Royal Hospital and Alexandra Hospital (30 March 2015)

- ♥ Section 29 Warning Notice Regulation 16, emergency department staffing, Worcestershire Royal Hospital (30 March 2015)
- ♥ Section 29 Warning Notice, Regulation 22, emergency department staffing, Worcestershire Royal Hospital (30 March 2015)
- ♥ Section 31 Condition, Radiology, trustwide (16 August 2016)
- ♥ Section 29A warning notice focussing on the systems, processes and the operation of the governance arrangements in place for identifying and mitigating risks to patients in relation to which significant improvement is required

The CQC carried out an unannounced inspection at Worcestershire Royal on 27 July 2016. The purpose was to look at specific aspects of the care provided by radiology services.

Following this, the Trust was required to take appropriate steps to resolve the backlog of radiology reporting. Based on the findings of this inspection conditions were imposed on the Trust's registration as a service provider.

CQC inspectors carried out a second formal inspection between 22 and 25 November 2016 with unannounced inspection visits on 7, 8 and 15 December 2016. This inspection resulted in the Trust receiving a Section 29A warning notice letter from the CQC where concerns were outlined relating to all three of the Trust's main hospital sites. The primary reasons for the notice focused on the systems, processes and the operation of the governance arrangements in place for identifying and mitigating risks to patients in relation to which significant improvement is required

The Section 29A warning notice focussed on three areas:

- ♥ Patient safety - urgent care pathway;
- ♥ Quality governance systems in the organisation (how do you know patients are safe);
- ♥ Inconsistency of compliance in clinical wards and services with local/national policies and procedures or standards, together with issues such as mandatory training compliance.

The Trust responded to the Section 29A warning notice on 9 March 2017 with a detailed narrative setting out the actions being taken by the Trust in respect of every concern raised in the CQC letter, appendices which provided evidence relating to the actions described in the covering narrative and a comprehensive Quality Improvement Plan and all of its constituent plans and projects, which is split into three distinct themes of action. The Plan has associated with it a dashboard which seeks to measure the progress being made on the action being taken by the Trust, in the form of outcomes or outputs.

Issue 2

The Chief Inspector of Hospitals rated the Trust 'inadequate' and as a consequence the Trust was placed in Special Measures following the CQC planned visit in 2015. The CQC rated the domains 'safe' and 'well-led' as 'inadequate'. The Trust was re-inspected in November 2016 and has remained in Special Measures with an overall rating of inadequate.

In relation to the 'inadequate' rating for the well-led domain, the Inspectors expressed their concern about the number of interim posts at the Trust board.

The number of interim posts within the Director (non-executive and executive) team is now one.

- ♥ Chief Executive – the substantive CEO commenced in March 2017
- ♥ Chief Medical Officer – the substantive post will commence on 15 May 2017
- ♥ Chief Nurse – the substantive post commenced in March 2017
- ♥ Chief Finance Officer – the substantive post commenced on 1 April 2017
- ♥ Chief Operating Officer – this post remains covered by interim posts.

Issue 3

The third is that the Trust has a significant deficit position. The Trust deficit for the year ended 31 March 2017 was £28.7m and its cumulative deficit at 31 March 2017 was £147m. This was a significant increase on 2015/16 even allowing for increased STF funding. The Trust still has a number of financial pressures linked to temporary medical staffing. Demand for services remains particularly high, with an increased number of ambulance conveyances.

The financial deficit position for 2016/17 has

required the Trust to access £81.9m of revenue cash support from the Department of Health to be able to maintain the payment of creditors through the year.

Issue 4

The fourth is the high number of vacancies within the Trust's workforce. Of particular concern are the consultant vacancies. A renewed focus is being placed on recruiting to these vacancies which includes the revision of the recruiting process and a senior level oversight of each vacancy. The Trust is also developing a bespoke package for each new consultant.

Issue 5

The fifth is that the Trust is experiencing significant pressures within the urgent care pathway. This is demonstrated by our non-delivery of the emergency access standard, the number of 12 hour breaches experienced during December and January and the provision of care within the ED corridor environment. The Trust is putting in place actions based upon the 'SAFER' (Senior review, All patients have an expected discharge date, Flow of patients, Early discharge and Review) bundle which is delivered by multidisciplinary

teams. Winter plans have been augmented to include multiple ward rounds per day, cancellation of elective activity, swapping of two surgical wards to medical wards and a range of other actions. This issue was also raised as a concern by the Chief Inspector of Hospitals. There is a system wide response in place led by the A&E delivery board. The Trust Board has close oversight of the situation.

Issue 6

The sixth is the non achievement of the key national standards for 2016/17 as at 31 December 2016. These include the 4 hour Emergency Access Target, 18 weeks referral to treatment – incomplete pathways, 62 day cancer performance standard, the 2 week wait cancer standards including Breast and the 6 week wait diagnostics standard.. The Trust is committed to improve performance against these standards as follows:

- ♥ 18 week RTT – incomplete pathways – to achieve an improvement in the RTT performance during 2017/18 based upon detailed delivery plans.
- ♥ Emergency Access standard – the national requirement is to achieve 90% performance



in September 2017 and maintain that through winter achieving 95% in March 2018. The Trust is developing plans to work towards these.

- ♥ Cancer and diagnostics standards – the aim is to begin to consistently achieve these during 2017/18. Work is in progress to develop detailed plans to support delivery of these standards.

Issue 7

A former member of staff has been charged with fraud relating to his application process. His first court appearance was in January 2017 and the trial is listed in November 2017. The Trust is cooperating fully with the Police inquiry. The Trust is also ensuring that the GMC are kept informed of the work being undertaken.

throughout the year an assurance framework, aligned to both our corporate objectives and the CQC standards to assist the Board in the identification and management of risk.

The Trust has put in place actions to remedy the significant internal control issues that it faces, to ensure that we have a sound system of internal control that will support the achievement of our policies, aims and objectives going forward in future years.

Michelle McKay, Chief Executive

26 May 2017

10. Conclusion

I have reviewed the relevant evidence and assurances in respect of internal control. The Trust and its executive managers are alert to their accountabilities in respect of internal control. The Trust has had in place

Staff Report

Our staff are our greatest asset. We are hugely indebted to our staff for all they do to ensure the best patient experience. We appreciate that our staff have been working under sustained capacity pressures and should like to thank them for their continued support and hard work.

Staff Communications

Through the year, we produced regular staff communications including a Weekly Brief (email), monthly Chief Executive Brief (face to face) and we also have a staff engagement group, and an Equality and Diversity Committee. We have an intranet site which is regularly updated with information on matters of concern to employees. We have good relationships with Trades Unions and regular Joint Consultative and Negotiation Committee (JNCC) meetings are held to consider issues likely to affect staff.

We use a values based recruitment process to ensure that all staff recruited are able to work

to our values. These values which place patients at the centre of all that we do are embedded in the induction and appraisal processes, and in our policies and procedures, and promoted on the staff intranet.

Changes to our workforce

In 2015/16, the Trust had to use emergency powers to temporarily reconfigure Women and Children's services and work was completed on the expansion of the Emergency Department at Worcestershire Royal Hospital. The most significant changes in our workforce during 2016/17 were therefore related to skill mix and relocation of staff across sites. The headcount has remained largely static other than the commissioning of extra winter capacity wards.



Sickness and Absence

The Trust has seen an increase in sickness absence rates in the last three years following a 4 year downward trend. In the last year the absence rate has reduced by 0.08%.

The Trust has been carefully monitoring stress levels of staff from sources such as sickness absence, national and local surveys, and referral rates to counselling and occupational health.

	2013/14	2014/15	2015/16	2016/17
Cumulative sickness absence rate (12 months)	3.87%	4.09%	4.35%	4.27%
Actual Staff in post in full-time equivalent (FTE)	4,940.88	5079.14	5083	5106.18
Headcount staff in post	5840	5959	5935	5959
Mandatory training compliance	72%	78%	76%	82%
Appraisal completion %	74%	78%	80%	76%
Staff turnover	9.85%	10.42%	12.97%	12.57%

Staff sickness	2015/16	2016/17
Total days lost	48800	48600
Total staff years	5054	5071
Average number of working days lost	9.7	9.6

Headcount			
Staff group	Average number 2015/16 WTE	As at 31 March 2016 WTE	As at 31 March 2017 WTE
Medical and dental	600	591	552
Administration and estates	910	921	1148
Healthcare assistants and other support staff	1079	1132	980
Nursing, midwifery and health visiting staff	1691	1674	1676
Nursing, midwifery and health visiting learners	18	19	29
Scientific, therapeutic and technical staff	743	718	698
Other (apprentices)	23	28	22
Total	5064	5083	5106

Senior staff by pay band as at 31 March 2017 - headcount						
Staff category	Band 8	Band 9	Consultant	Personal salary	Trust Board	Total
Trust Board (Male)					8	8
Trust Board (Female)					7	7
Senior Managers (Male)	22	1	24	4		51
Senior Managers (Female)	48		3	6		57
Total	70	1	27	10	15	123

Headcount by contract type as at 28 February 2017	
Fixed term/temporary	435
Locum	3
Permanent	5521
Total	5959

We continue to support our staff with excellent training programmes recognising the importance of supporting staff and managers to become good role models and leaders, and help them develop resilience to cope with the demands of an ever-changing NHS.

The Trust provides a comprehensive induction programme for new employees and mandatory training updates in 16 topics for existing staff using a variety of teaching methods and assessment.

In terms of the workforce of the future over 197 young people completed work experience placements in the trust, and the trust supported 95 new apprentices in both business administration and health and social care. We are developing further apprenticeship programmes in allied health care.

Health and Wellbeing

We are proud of the initiatives and additional support that we have put into staff health and wellbeing in 2016/17. Focus on staff health and wellbeing is imperative to recruitment and

retention as well as ensuring that staff are able to attend work regularly and provide the best possible care to patients.

In recognition of the increased pressure that staff have been working under we have continued to focus on schemes that support both the mental and physical wellbeing of our staff. We continued our enhanced staff counselling and clinical supervision this year so that our staff can access a fully trained counsellor after any traumatic incident at work or at home. 208 staff accessed the service either by manager or self-referral. 49% of referrals are for personal stress rather than work related but speedy access to counselling through occupational health has helped as staff are unable to access this through their GPs. We have also continued to provide resilience training and self-care programmes for staff and have launched a Management of Stress programme for Managers.

We launched a pilot staff physiotherapy service in August 2016 to provide speedy advice and treatment for staff who have been suffering from musculo-skeletal problems. This has been a very popular initiative with 152 referrals in the first 6 months. We recognize that stress

can often manifest itself in physical pain, particularly musculo-skeletal pain in the back, neck and shoulders.

A focused programme of sustainable initiatives was delivered in 2016/17 overseen by the OH and Wellbeing team. Our aim is to promote healthier lifestyle choices for all staff including physical activity using discounted gym and leisure facilities. This includes sessions for sedentary workers to encourage them to stretch their backs and move more throughout the working day.

All our staff are able to self-refer to our Safe, Effective, Quality Occupational Health Service (SEQOHS) accredited Working Well Centre which offers proactive and preventative occupational health support as well as dealing with work related issues such as needle-stick injuries. Our Working Well intranet site and Wellbeing Club signpost staff to the resources they need to live a healthy and balanced life both at work and home.

Staff Appraisals

The Trust believes appraisals are vital in valuing staff as the Trust prepares to manage significant change within the organisation. More work needs to be done to ensure all staff are appraised regularly to raise the current level of 76% for non-medical staff (31 March 2017).

Employee policies

The Trust is committed to the recruitment and retention of disabled people, and is accredited to use the Disability Confident Employer badge. This accreditation recognises commitment to good practice in employing people with disabilities both in terms of recruitment and adjustments for those who become disabled during their career.

We offer guaranteed interviews to all disabled applicants who meet the minimum criteria. We also offer proactive return to work plans and redeployment opportunities or reasonable adjustments, for staff who develop health problems or disabilities during their career. Our Recruitment and Selection Policy, Training

and Development Policy and Sickness and Wellbeing Policy all give consideration to applicants with disabilities and those staff who have become disabled. We have an Equality, Diversity and Inclusion Policy and Dignity at Work Policy which all cover treatment of staff who are disabled with the expectation that they are treated no less favourably.

We have a programme for reviewing and consulting on changes to staff policies prior to approval at the JNCC. All agreed policies and any other information for staff are subject to an Equalities impact Assessment and are available through email, weekly brief and on the intranet.

We regularly monitor our workforce KPIs at Workforce Assurance Group and Trust Board. The Equality and Diversity Committee monitors staffing in terms of the Equality Act and the 9 protected characteristics. This includes monitoring recruitment, access to training and development, and parity of pay for staff from all protected groups including those with a disability. The Trust expects all staff to be treated fairly regardless of any disability or any other protected characteristic. We monitor our use of the Disciplinary, Grievance and

Dignity at Work Policies to ensure that staff with disabilities, or those from other protected characteristics, are not disproportionately involved in formal processes. We also monitor the results of our annual Staff Opinion Survey and quarterly Staff Friends and Family Tests to identify any problems.

Equality and Diversity

Our commitment to Equality and Diversity is stated in all relevant policies including our Recruitment and Selection Policy, Dignity at Work Policy and Equality, Diversity and Inclusion Policy which are available to all staff on the intranet. The Trust is committed to providing fair opportunities and treatment for all applicants and employees which respects diversity and dignity.

The Trust Board aims to ensure that all staff are aware that any form of discrimination against people because of their gender, marital status, race, age, sexual orientation, religion, disability, part-time or fixed-term working, or any other unfair reason, is prohibited within the organisation. We have run additional training in the last two years “kNOw Bullying” and “Raising Concerns” as well as our regular Equality and Diversity Training.

The Trust uses the Equality Delivery System (EDS2) as a tool to help address and improve equality. The Action plan and Equality Objectives for this scheme are published on the Trust’s Equality and Diversity web pages, along with the Trust’s Equality Annual Reports and equalities data.

Headcount by ethnicity as at 31 March 2017			
Ethnicity	Male	Female	Total
Asian or Asian British	176	334	510
Black or Black British	19	75	94
Mixed Race	17	31	48
Not stated/Undisclosed	10	44	54
Other	41	61	102
White	757	4394	5151
Total	1020	4939	5959

Remuneration

The remuneration of Executive Directors is determined by the Remuneration Committee, in accordance with NHS guidance and with regard to their roles and the complexity of their duties, and approved by the Trust Board.

The Remuneration Committee, which is made up of the Chairman plus two non-Executive Directors is responsible for determining the pay and conditions of employment for Executive Directors and receives and ratifies recommendations from other committees such as the Consultant's Clinical Excellence Award Committee.

In determining the pay of Executive Directors the Committee agrees and twice a year reviews the annual objectives of the Directors. The Committee also compares each year Executive Directors pay against comparative salaries in the NHS. Cost of living awards are made in line with Department of Health guidance. For 2016/17 Executive Directors received a 1% cost of living increase in pay as determined by the Remuneration Committee.

Non-Executive Director appointments are selected through the Appointments Commission, and appointed by NHS Improvement/the Trust on a fixed term basis, with a maximum duration of four years. A notice period of three months is normally applicable to these contracts.

Executive Directors are appointed by the Trust on permanent contracts, which have a required notice period of 6 months. Should termination payments be considered necessary at any time, the Trust is fully conversant with the guidance and requirements of both the Department of Health and HM Treasury on this matter.

The Trust is required to disclose the relationship between the remuneration of the highest- paid director in their organisation and the median remuneration of the organisation's workforce. The banded remuneration of the highest paid director in Worcestershire Acute Hospitals NHS Trust in the financial year 2016-17 was £240,000 (2015-16, £195,000). This was 9 times (2015-16, 7) the median remuneration of the workforce, which was £25,714, (2015-16, £26,041). In 2016-17, no employees (2015-16, 6) received remuneration in excess of the highest-paid director. In 2015/16 the

Remuneration of employees paid in excess of the highest paid director ranged from £195,000 to £235,000.

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

	2016-17				2015-16			
Name and title	(a) Salary (bands of £5,000)	(b) Expense payments (taxable) total to nearest £100	(c) All pension related benefits (bands of £2,500)	(d) Total (a-c) (bands of £5,000)	(a) Salary (bands of £5,000)	(b) Expense payments (taxable) total to nearest £100	(c) All pension related benefits (bands of £2,500)	(d) Total (a-c) (bands of £5,000)
	£000	£	£000	£000	£000	£	£000	£000
Chair								
C.Merrick	20-25	0	0	20-25	0	0	0	0
J.Burbeck - Acting Chair, April - Sept, Non-Executive Director, October - March	10-15	900	0	10-15	0	0	0	0
Chief Executive								
M.McKay	0-5	11,900	0	10-15	0	0	0	0
C.Tidman - Interim Chief Executive	185-190	2,400	30-32.5	220-225	150-165	3,000	100-102.5	250-255
R.Beeken - Interim Chief Executive	0	0	0	0	0	0	0	0
Director of Finance								
J.Robinson - Interim Director of Finance	45-50	1,300	0	45-50	0	0	0	0
R.Cooper - Interim Director of Finance	235-240	23,900	0	270-275	55-60	6,600	0	60-65
Chief Operating Officer								
S.Messer	120-125	0	75-77.5	195-200	115-120	0	0	115-120
R.McEwan - Interim Chief Operating Officer	145-150	4,000	0	145-150	190-195	9,800	0	195-200
G.Robinson - Interim Chief Operating Officer	65-70	0	0	65-70	0	0	0	0

	2016-17				2015-16			
Name and title	(a) Salary (bands of £5,000)	(b) Expense payments (taxable) total to nearest £100	(c) All pension related benefits (bands of £2,500)	(d) Total (a-c) (bands of £5,000)	(a) Salary (bands of £5,000)	(b) Expense payments (taxable) total to nearest £100	(c) All pension related benefits (bands of £2,500)	(d) Total (a-c) (bands of £5,000)
	£000	£	£000	£000	£000	£	£000	£000
Chief Nursing Officer								
V.Morris - Chief Nursing Officer	5-10	0	0	5-10	0	0	0	0
J.Stevens - Interim Chief Nursing Officer	120-125	300	0	120-125	0	0	0	0
Medical Director								
M.Wake - Medical Director	205-210	0	60-62.5	265-270	165-170	0	75.0-77.5	240-245
A.Phillips - Interim Medical Director	40-45	0	0	40-45	185-190	300	0	185-190
A.Short - Interim Medical Director	160-165	0	0	160-165	15-20	0	0	15-20
Director of HR and Organisational Development								
D.Harnin	105-110	0	0	105-110	105-110	200	0	105-110
Director of Planning and Development								
S.Smith	95-100	0	0	95-100	90-95	0	0	90-95
Director of Communications								
L.Thomson	95-100	0	0	90-95	35-40	200	0	35-40

	2016-17				2015-16			
Name and title	(a) Salary (bands of £5,000)	(b) Expense payments (taxable) total to nearest £100	(c) All pension related benefits (bands of £2,500)	(d) Total (a-c) (bands of £5,000)	(a) Salary (bands of £5,000)	(b) Expense payments (taxable) total to nearest £100	(c) All pension related benefits (bands of £2,500)	(d) Total (a-c) (bands of £5,000)
	£000	£	£000	£000	£000	£	£000	£000
Director of Performance								
H.Khan - Interim Director of Performance	20-25	0	0	20-25	15-20	0	0	15-20
Non Executive Directors								
B.McGinity - Non Executive Director	5-10	1,700	0	5-10	5-10	1,700	0	5-10
A.Sleigh - Non Executive Director	0-5	900	0	5-10	5-10	700	0	5-10
J.Burbeck - Non Executive Director	0-5	800	0	0-5	5-10	1,200	0	5-10
W.Tunncliffe - Non Executive Director	5-10	0	0	5-10	0-5	0	0	0-5
A.Harrison - Non Executive Director	0-5	500	0	0-5	0-5	0	0	0-5
P.Mayhew - Non Executive Director	0-5	200	0	0-5	0	0	0	0
C.Swan - Non Executive Director	0-5	0	0	0-5	0	0	0	0
S.Howarth - Non Executive Director	0-5	500	0	5-10	5-10	900	0	5-10

Notes

Chair

C.Merrick commenced as Chairman on 12/09/2016. Prior to this, **J.Burbeck** was acting Chairman until 11/09/2016 on which date he reverted back to being a Non-Executive Director.

Chief Executive

M.McKay commenced as permanent Chief Executive on 27/03/2017. **C.Tidman** was the Trust's interim Chief Executive until 08/12/2016. He has been seconded to NHSi since January 2017 but the Trust has continued to pay his salary. The costs shown represent his full annual salary payment. **R.Cooper** was the interim Chief Executive from 09/12/2016 until 28/02/2017. **R.Beeken** on secondment from NHS Improvement was the Trust's interim Chief Executive from 08/02/2017 until 26/03/2017. **M.McKay** commenced as permanent Chief Executive on 27/03/2017.

Director of Finance

J.Robinson commenced as interim Director of Finance on 01/11/2016 on secondment from NHS Improvement, and was appointed on a permanent basis from 01/04/2017.

R.Cooper was the Interim Director of Finance

until 30/10/2016. He was then Director of Financial Improvement from 01/11/2016 until 08/12/2016. He was the interim Chief Executive from 09/12/2016 until 28/02/2017. While working as Director of Finance and Director of Financial Improvement fees were paid to RJC Solutions Limited. While interim Chief Executive salary was paid through the Trust payroll.

Chief Operating Officer

S.Messer is the substantive Chief Operating Officer and has been absent since May 2015. During this period the post has been covered as follows: **R.McEwan** was the interim Chief Operating Officer until 12/10/2016. The figure quoted under Salary represents the payment of fees to Taylor McEwan Limited and there are no additional costs for National Insurance or Superannuation. **G.Robinson** was the interim Chief Operating Officer from 14/10/16 until 17/03/2017. The figure quoted under Salary represents the payment of fees to PriceWaterhouseCoopers LLP and there are no additional costs for National Insurance or Superannuation. **R.Beeken** was the interim Chief Operating Officer from 27/03/2017 until 02/04/2017. **J.O'Connell** commenced as the Trust's interim Chief Operating Officer on 03/04/2017.

Chief Nursing officer

V.Morris commenced with the Trust as the substantive Chief Nursing Officer from 13/03/2017. **J.Stevens** commenced with the Trust on secondment from Health Education England as interim Chief Nursing Officer from 01/04/2016 until 31/03/2017. **J.Halliday** served as interim Chief Nursing Officer during January 2017.

Chief Medical Officer

S.Kapadia has been appointed as the Chief Medical Officer and commenced with the Trust on 15/05/2017. **M.Wake** left the Trust on 14/10/2016. **A.Phillips** was on secondment to the Trust from University Hospitals Coventry and Warwickshire (UHCW) NHS Trust as Interim Chief Medical Officer until 31/05/2016. The figure quoted under Salary represents the recharge of costs from UHCW and includes costs for National Insurance and Superannuation. **A.Short** commenced as the Trust's interim Medical Director from 01/06/2016.

Other Executive Post Changes in 2016/17

L.Thomson commenced with the Trust as Director of Communications on 26/10/2015 and left the Trust on 23/04/2017.



H.Khan was the Deputy Director of Finance until 29/01/2017. He commenced as Acting Director of Performance on 30/01/2017.

Non Executive Directors Changes in 2016/17

S.Howarth left the Trust on 31/12/2016 on completion of his term of office.

A.Sleigh left the Trust on 31/12/2016 on completion of his term of office

A.Harrison was a Non-Executive Director from 23/05/2016 until 22/11/2016.

P.Mayhew commenced as a Non-Executive Director on 01/01/2017.

C.Swan commenced as a Non-Executive Director on 01/01/2017.

B.Tunncliffe became a Non-Executive Director from Associate Non-Executive Director from November 2016.

M.Yates commenced as an Associate Non-Executive Director on 01/05/2017.

Prior Year Information

	2016-17				2015-16			
Name and title	(a) Salary (bands of £5,000) £000	(b) Expense payments (taxable) total to nearest £100 £	(c) All pension related benefits (bands of £2,500) £000	(d) Total (a-c) (bands of £5,000) £000	(a) Salary (bands of £5,000) £000	(b) Expense payments (taxable) total to nearest £100 £	(c) All pension related benefits (bands of £2,500) £000	(d) Total (a-c) (bands of £5,000) £000
Previous Board Members comparators								
H.Turner - Chair	0	0	0	0	20-25	4,900	0	20-25
P.Venables - Chief Executive	0	0	0	0	150-155	0	0	150-155
C.Gentile - Interim Director of Finance	0	0	0	0	75-80	5,300	0	80-85
C.Garlick - Acting Chief Operating Officer	0	0	0	0	5-10	0	0	5-10
L.Webb - Director of Nursing and Midwifery	0	0	0	0	50-55	0	0	50-55
S.Pinch - Interim Director of Communications	0	0	0	0	35-40	3,000	0	40-45
M.Gay - Interim Chief Nursing Officer	0	300	0	0-5	45-50	0	0	45-50
Professor J. Bion - Non Executive Director	0	0	0	0	0-5	400	0	5-10

H.Turner left the Trust on 02/03/2016.

L.Webb left the Trust 31/08/2015.

J.Bion left the Trust 31/12/2015.

C.Garlick was the acting Chief Operating Officer during May 2015

M.Gay commenced with the Trust on secondment from NHS South Worcestershire CCG (SWCCG) as Interim Chief Nursing Officer from 01/09/2015 until 31/03/2016. The figure quoted under Salary represents the recharge of costs from SWCCG and includes costs for National Insurance and Superannuation.

S.Pinch commenced with the Trust as Interim Director of Communications on 22/06/2015. The figure quoted under Salary represents the payment of fees to Pinch Point Communications and there are no additional costs for National Insurance or Superannuation

Pension Benefits

Remuneration for Non-Executive Directors is in accordance with statutory limits. As Non- Executive members they do not receive pensionable remuneration, and accordingly there are no entries in respect of pensions for Non-Executive members.

The Government Actuary Department (“GAD”) factors for the calculation of Cash Equivalent Transfer Factors (“CETVs”) assume that benefits are indexed in line with CPI which is expected to be lower than RPI which was used previously and hence will tend to produce lower transfer values.

No Cash Equivalent Transfer Value is listed if the individual is over the age of 60.

*This is the value from Government Actuary Department (“GAD”) of the value of the pension fund at 31 March 2017 if it were to be withdrawn and re-invested in an alternative fund. The individuals do not have the option to do this.

** This is the equivalent as at 31 March 2016

*** This is the increase or decrease between March 2016 and March 2017.

Name and title	Real increase in pension at pension age (bands of £2,500)	Real increase in lump sum at pension age (bands of £2,500)	Total accrued pension at pension age at 31 March 2017 (bands of £5,000)	Lump sum at pension age related to accrued pension at 31 March 2017 (bands of £5,000)	*Cash equivalent transfer value at 31 March 2017	**Cash equivalent transfer value at 31 March 2016	***Real increase in cash equivalent transfer value	Employer's contribution to stakeholder pension
C.Tidman - Interim Chief Executive	2.5-5.0	7.5-10.0	45-50	135-140	802	672	130	0
M.Wake - Medical Director	2.5-5.0	7.5-10	50-55	160-165	1133	1033	100	0
S.Messer - Chief Operating Officer	2.5-5.0	10-12.5	55-60	170-175	1158	1045	113	0
D.Harnin - Director of HR and Organisational Development	0-2.5	0	15-20	25-30	362	336	26	0

Exit packages summary

Exit package cost band (including any special payment element)	Number of compulsory redundancies	Cost of compulsory redundancies £	Number of other departures agreed	Cost of other departures agreed £	Total number of exit packages	Total cost of exit packages £	Number of departures where special payments	Cost of special payment element included in exit packages
Less than 10,000								
£10,000 to £25,000								
£25,001 to £50,000								
£50,001 to £100,000								
£100,001 to £150,000								
£150,001 to £200,000			1	107,784	1	107,784		
>£200,000								
Total			1	107,784	1	107,784		

Type of exit package

Exit package description	Number of agreements	Total value of agreements £000
Voluntary redundancies including early retirement contractual costs		
Mutually agreed resignations (MARS) contractual costs		
Early retirements in the efficiency of service contractual costs		
Contractual payments in lieu of notice*	1	108
Exit payments following employment tribunals or court orders		
Non-contractual payments requiring HM Treasury Approval**		
Total	1	108

Notes

A single Exit Package can be made up of several components, each of which is counted separately in this note.

The above exit package payment was paid in a single component as a contractual payment in lieu of notice

No non-contractual payments were made to employees.

The Exit Package payment was made to an individual who served on the Trust Board during 2016/17.



Staff cost and WTE

Staff group	Permanently employed WTE	Permanently employed cost £000	Bank and Agency WTE	Bank and Agency cost £000	Total staff WTE	Total cost £000
Medical and dental	552	60,696	82	19,470	634	80,166
Ambulance staff	4	147	0	0	4	147
Administration and estates	894	35,739	28	2,343	922	38,082
Healthcare assistants and other support staff	977	24,070	4	2,183	981	26,253
Nursing, Midwifery and Health Visiting staff (registered)	1,723	75,598	149	8,405	1,872	81,003
Nursing, Midwifery and Health Visiting learners	0	0	0	0	0	0
Social Care staff	0	0	0	0	0	0
Healthcare Science staff	934	26,366	26	1,509	960	27,875
Other (apprentices)	22	63	0	0	22	63
Total	5,106	219,679	289	33,910	5,395	253,589

Off payroll engagements

The number of Off Payroll Engagements as at the 31st March 2017 for more than £220 per day and that last longer than 6 months is:

Number of existing engagements as of 31 March 2017	Number
Of which, the number that have existed:	7
for less than 1 year at the time of reporting	5
for between 1 and 2 years at the time of reporting	2
for between 2 and 3 years at the time of reporting	0
for between 3 and 4 years at the time of reporting	0
for more than 4 years at the time of reporting	0

There were 5 new off-payroll engagements between 1 April 2016 and 31 March 2017, for more than £220 per day and that last longer than six months.

There were 2 off-payroll engagements of board members, and/or senior officers with significant financial responsibility, during the year.

All existing off-payroll engagements have been subject to a risk based assessment to seek assurance that the individual is paying the right amount of tax and, where necessary, that assurance has been sought.

Consultancy

The Trust's total expenditure on Consultancy in 2016/17 was £1,284,000.



Patients



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