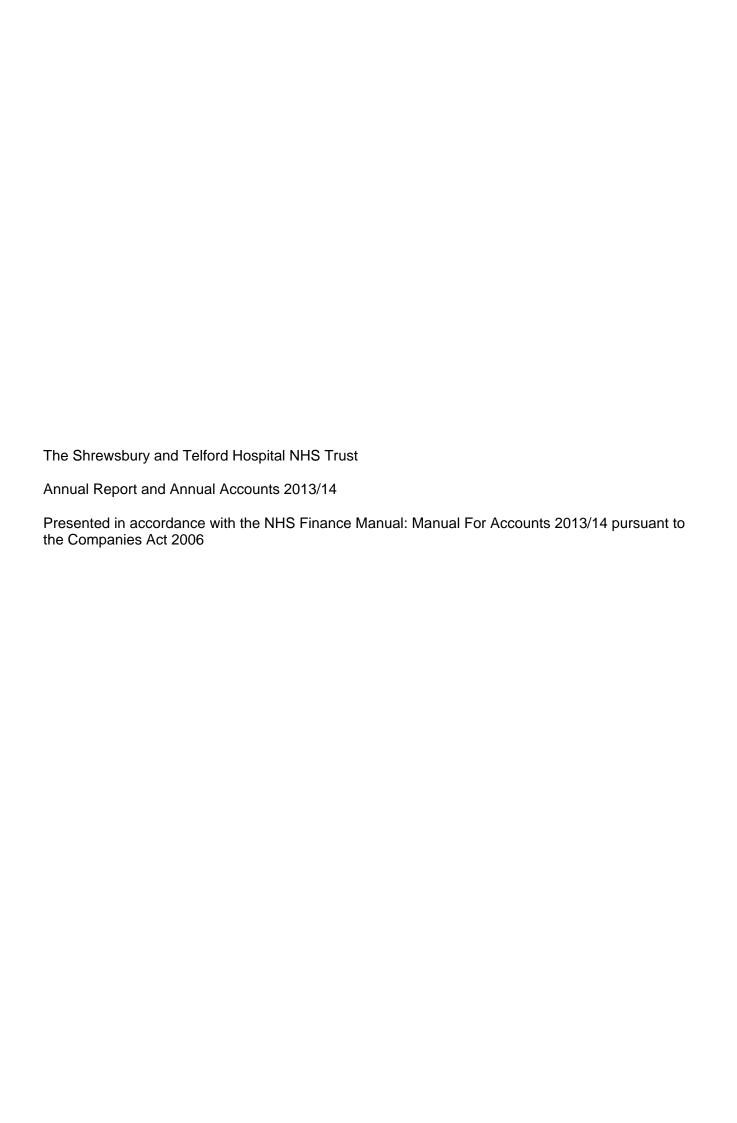


Putting Patients First

Annual Report and Annual Accounts 2013/14



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About this document

This document fulfils the Annual Reporting requirements for NHS Trusts and works towards the Annual Reporting requirements for NHS Foundation Trusts.

We publish a shorter Annual Review as a companion document for patients, communities and partner organisations.

Further copies of this document and our Annual Review are available from our website at www.sath.nhs.uk, by email to communications@sath.nhs.uk or in writing from:

Chief Executive's Office, The Shrewsbury and Telford Hospital NHS Trust, Princess Royal Hospital, Grainger Drive, Apley Castle, Telford TF1 6TF

Chief Executive's Office, The Shrewsbury and Telford Hospital NHS Trust, Royal Shrewsbury Hospital, Mytton Oak Road, Shrewsbury, SY3 8XQ

This document is also available on request in other formats, including large print and translation into other community languages for people in Shropshire, Telford & Wrekin and mid Wales. Please contact us at the address above or by email at communications@sath.nhs.uk to request other formats.

Please contact us if you have suggestions for improving our Annual Report.

www.sath.nhs.uk

The Shrewsbury and Telford Hospital NHS Trust Annual Report and Annual Accounts 2013/14				

1. Chair's Introduction

Shropshire, Telford & Wrekin, mid-Wales: what qualities we share! We have strong communities. We live in fantastic country. We are part of an advanced economy. In our patch, folk consistently value *belonging* over *bling*, *connections* more than *consuming*. On this basis, our half million relatives, friends and neighbours should be the healthiest and longest-lived on the planet. We are not, but we could be. Our health systems should support this ambition.

I'm six months into this job; still finding my feet, a bit overwhelmed. Our two hospitals are staffed by the most generous, committed and hard-working people. Every day – every day! – they give extraordinary support and love to thousands of us. And every day, we, the people they serve, give them our support in return: in our gratitude, in our support for the charities that work with the Trust. Every year, we ask more from our hospitals – more kinds of acute care and more of it – and every year they step up.

But we are not where we should be. For quite some time, this Trust has been far from exemplary; even below average. The Trust has not been able to give its staff the support they needed to deliver for the wider population, not least to deliver the ambition I suggested at the start – to be the healthiest half million people on the planet, supporting everyone to achieve their health and wellbeing potential.

It is changing, changing fast and for the better. I've come in to find a good quality new board and management team in place, with a palpable commitment to leapfrogging the average. They are solving long standing problems, strengthening accountability, and enabling front line staff to fulfil their professional values. It's going to take time, but the direction of travel is already clear: this winter, always a difficult time for acute hospitals, we avoided most of the chaos and crisis which characterised previous years.

So what is needed for us collectively to achieve that ambition? If, as a population, we are to be the healthiest on the planet, it will take three things. Firstly, we are going to have to turn our health system from being what it is in reality – a sickness system – into a health system. The system should be in the business of helping people stay well, as well as treating them when they are not. We cannot, as an economy, continue both curing more diseases

and treating more people. Much better to keep more people well, and give fantastic support to the reducing number who are not.

The second thing we need is for our population to hear this message and take responsibility for their bodies. Cigarettes, sugar, salt, booze; fitness, vegetables, sleep, love: we know what's not good and what is. The system can't fix this; we have all got to watch out for each other.

Thirdly, we need the people and the system to connect. We will not keep and attract brilliant people – the staff we need to look after and cure us when we are ill - unless we show interest, hold them to account, and give them our support. The Trust is owned by all of us. These are our fellow humans, not units of government work; and like all humans they need our support, our challenge, our inspiration.

I would like to thank the people of the Trust – staff, patient groups, volunteers - for their friendliness and generosity of spirit in welcoming me to this role. I am particularly grateful to the Lingen Davies Cancer Charity and to the two Leagues of Friends groups: their unceasing effort underpins the hospitals and will be hugely important going forward. Finally, on behalf of the Board, I would like to thank offer my heartfelt thanks to Martin Beardwell, my predecessor. Martin completed more than ten years' service to the Trust, including a longer period as Acting Chair than he had envisaged when taking up the role in 2012. I know that the Board has been very grateful for his leadership and stewardship. Other changes during the year saw the departure of Peter Vernon and Vicky Morris, and the arrival of Donna Leeding, Harmesh Darbhanga and Sarah Bloomfield. Shortly after year end we also welcomed Brian Newman as a Non-Executive Director, meaning that the Trust had a fully established Board for the first time in several years.

Professor Peter Latchford Chair

2. The Year In Profile

Over the past 12 months we have made great strides in a number of areas and improvements which we will soon begin to deliver benefits. In 2013/14 we reconfigured wards to improve capacity, have seen the benefits consolidating services on one site can bring with the success of the move of Stroke Services to PRH, saw major progress on the Shropshire Women and Children's Centre, and improved some of our Clinical Pathways. A lot more work is planned for the next 12 months and beyond as we continue our journey of improvement.

Peter Herring, Chief Executive

While a lot of great work has taken place during the last 12 months, it is clear that we are not quite where we want to be as an organisation and more work needs to be done.

Here, I would like to share just some of the plans and developments that are already in place for the next 12 months, some of which you can read more about elsewhere in this report:

- NHS Future Fit: This is the name of the Clinical Services Review that is being carried out across the whole local health community, which I trust will provide the blueprint to create high quality, safe and sustainable acute and community hospital services for the future. The review is at a very early stage and you will be hearing a lot more about it over the 12 months. One area that it will focus on is the creation of one specialist major emergency centre, with all of our emergency and acute services delivered on one site. I have spoken previously about the challenges of delivering a range of district hospital services across two sites can bring. We have seen with the consolidation of Stroke Services on one site the benefits of having a service at one location can bring. It has shown that having senior clinicians in a specific discipline to provide a specific services on one site rather than across two, improves clinical outcomes. This is something we must explore further for our emergency and acute services, because of the clear benefits this could bring.
- Scheduled and Unscheduled Care Plans: We will be further developing plans for improvements for our patients who receive both scheduled and unscheduled care. In Unscheduled Care we are looking at new ways of providing the best care possible for our elderly patients, as well as making improvements to the way our Emergency Ambulatory Care is provided. This will include scoping the development of emergency ambulatory care

- and Urgent Care Centres. Within Scheduled Care we are looking to introduce enhanced recovery for Orthopaedics, develop a Theatres Admissions Suite at PRH, and look at plans for a drop-in Theatre.
- Shropshire Women and Children's Centre: This new centre will open in September 2014 and will be for Women who need a consultant-led birth; Gynaecology services where you have to stay overnight; Children who need to stay overnight; and Children's Oncology and Haematology care. This will be an outstanding facility when it opens.
- Quality: As a Trust it is important that we aim to provide the highest Quality and Safest services and care possible for our patients. We have made a number of improvements in a number of areas in the last 12 months and are committed to delivering further improvements. Our focus over the next 12 months will be on ensuring improvements in End of Life Care, Dementia care, reducing harm to patients, and the experience of patients, relatives and carers. We will also be aiming to continue to improve in the areas we focused on in 2013/14. You can read about some of these improvements elsewhere in this Year in Review.
- Values: Finally, we will be continuing the journey we have started to be a values-driven organisation, which began when I launched our values in October. We will be embedding the values throughout the organisation and working to raise staff engagement as we look to ensure the Trust is a place where all of our staff are proud to

It is clear that 2014/15 will be an interesting year with some key challenges to address, as well as plenty to look forward to and celebrate.

The Year In Profile: Quality and Safety

We aim to be a safe Trust that provides the best possible clinical outcomes and experiences for all of the patients we are here to care for. That is why every day we recognise the importance of ensuring the safety and quality of the services and care we provide for our patients.

Over the past 12 months, we have made a number of improvements in quality and safety which have brought positive benefits for our patients. But we recognise that we still need to do more and are committed to further improvements in 2014/15 and beyond. Our Quality Account 2013/14 goes into more detail about the improvements we have made over the last 12 months and our plans going forward and can be found on our website at www.sath.nhs.uk

I would like to give you a snapshot of our performance in two important areas of quality and safety for our patients over the past 12 months.

Reducing inpatient falls resulting in serious harm:

Following a number of incidents resulting in patients being harmed due to a fall within our hospitals, we recognised the need to prioritise reducing falls overall, as well as reducing falls causing harm. Throughout the year a lot of improvements took place including:

- The recruitment of a Falls Prevention Practitioner to deliver education and training.
- Increased awareness among clinical staff of their responsibilities with regards to managing falls risk for our patients.
- A review of all falls causing harm to establish key themes.
- All patient falls which result in harm are now reviewed by the Senior Nursing Team.

While we have seen an overall reduction in falls, we have not seen a reduction in falls causing harm. However, we are seeing a reduced level of harm, meaning the falls are resulting in less serious injuries. In the last two months of the calendar year 2013 we only had one fall resulting in serious harm, compared to five in October and four in September. That is a really significant reduction, but unfortunately the number rose again during the start of this calendar year, before falling again in March and April. Clearly we need to ensure we are focusing on sustainably reducing the number of falls and aim to make further improvements over the next 12 months.

Preventing avoidable pressure ulcers:

We know that approximately half a million people in the UK will develop at least one pressure ulcer in any given year. Most commonly this will occur in people with an underlying health condition. For some people pressure ulcers will only require minimal nursing care, while with others it can be more serious and have a negative impact on their health and recovery. As a Trust we remain committed to eliminating all acquired avoidable Grade 3 and Grade 4 pressure ulcers, and further reducing the occurrence of Grade 2 pressure ulcers year-on-year. Over the



past 12 months we have made improvements including:

- We review all Grade 2 pressure ulcers to identify further opportunities to reduce Grade 2 pressure ulcers and prevent them progressing to Grade 3.
- We have increased capacity within our Tissue Viability Team to extend and improve education and training across the Trust.
- We have reviewed the quality and specification of our static mattresses and our specialist mattress.
- We have tested and evaluated equipment that can contribute to pressure ulcers and introduced a new oxygen mask to reduce the risk pressure ulcers found on ears and noses.

To date we have eliminated Grade 4 avoidable pressure ulcers, however we have not eliminated Grade 3. We have also reduced Grade 2 pressure ulcers by 10-15% over the last year. Overall we have had about a 50% reduction in avoidable pressure ulcers at Grade 3 and 4 but we still have some work to do in this area to completely eliminate them.

Reducing Clostridium difficile (C Diff)

We have also seen a 31% reduction in C Diff infections compared to last year, which is a fantastic achievement. We are one of the best performers in the region for this and have set ourselves the challenge of trying to maintain or improve our performance in this area over the next 12 months.

These are just three areas were have been working to improve in from last year. We will continue to work on these areas as well as our priorities for 2014/14 which will be improving End of Life and Dementia Care, reducing harm to patients, and the experience of patients, relatives and carers. We will continue making improvements to provide the best experience and care possible for our patients.

Sarah Bloomfield, Director of Nursing and Quality

The Year In Profile: Launching our values

As a Trust it is important that we have a set of Values that everyone who works here lives, and which guide everything we do. When we are true to our Values, our organisation will feel like a better place to work, which will benefit our patients. In the past 12 months we took our first steps to becoming a values-driven organisation by launching our new Values, and have since begun to embed these throughout our organisation.

Our new Values (which you can see in the graphic to the right) represent what truly matters to our staff and patients. I'm delighted that these new Values were developed by our staff and patient representatives, who were involved at every stage of their development.

During August and September last year, I and colleagues from the Executive Team held workshops to discuss what our Values should be. More than 120



members of staff and patient representatives helped to develop these Values We heard some amazing examples of care, compassion and can-do attitudes. Colleagues were honest and frank in their contributions, all of which are reflected in our Values. We also had great feedback from patients through our Patient Experience and Involvement Panel (PEIP) who

our Patient Experience and Involvement Panel (PEIP) who helped shape the new organisational Values.

The new Values were launched by Peter Herring, Chief Executive (pictured to the right at a values workshop), at our second annual Leadership Conference in October. His vision is that these Values become a framework for all our behaviour: how we treat each other and our patients. We spent the months following the launch of our Values getting out and

about again to meet staff and help to define
how we embed our Values into our
organisation, to make them 'real' and
ensure every member of staff is
guided by them.



Some of this work has already begun and been well received, particularly around values-based recruitment. You can see examples of this on the page to the right. This is the start of our journey to become a values-driven organisation and I'm looking forward to us working as a Trust to embed our Values further so that we truly live them.

Victoria Maher, Workforce Director

The Year In Profile: Our values in action

Over time our values will be embedded throughout the organisation as we use them to guide everything we do. Some of this work has already begun, and it has been well received. Below are just a couple of examples of how our values are becoming real.

Values-based recruitment

We have begun to use our values in our recruitment processes. We have recruited more than 100 Health Care Assistants (HCAs). Our new HCAs are already making a real difference to the care our patients receive on the wards and other areas where they are based.

The feedback we have been receiving about the use of values—based recruitment, both from the team managers and the candidates themselves, has been really positive and we will continue to roll-out the use of this process.

In addition, we have also used the values as the basis for recruiting five new Phlebotomists. Our new practical recruitment process for Phlebotomy has been designed in partnership with Job Centre Plus. As well as using our new values, it also allows us to engage further with people in the communities we serve to make them more aware of employment opportunities within the Trust. It has been a long time since we've been able to recruit a number of Phlebotomists and we're confident that our new recruits will make a real difference in supporting patient

"Our values give us a guide for our working lives, and the importance of these values and the principle of Putting Patients First was clear from the information day."

HCA Jordan Rowley, who joined the Trust through values-based recruitment



"Values-based recruitment really helps people to understand what the job is all about, and we can be confident that they definitely want the job and will have our values at heart."

Alison Fowles, Phlebotomy Service Manager at RSH



"I feel the Values are good, patient-focused and based on common sense and can guide us in our daily roles and it's good to know that they have been shaped by staff at the Trust."

HCA Fay Rayward, who joined the Trust through values-based recruitment



Making our values real

flow across both RSH and PRH.

Since the launch of our values, we have been working with staff to define the behaviours we want to see associated with each value — as well as the behaviours that we do not want to see from our staff. This will help to make our values more 'real' and will help to guide our staff in their daily working lives. Again, it was important that these were shaped by staff to ensure that the behaviours are relevant to their daily roles. The behaviours provide a feedback framework for staff to start to hold conversations with each other about behaviour. These behaviours will be shared with all staff once they have been finalised.

Recognising success and achievements

Another way we will be embedding our values further into the organisation is through our awards. This work has already begun: decisions around successful candidates for our Chairman's Award are guided by our values, and we make it clear which values the achievements reflect. Looking ahead there will be an award for each of the values at our Trust Awards 2014, which will be held in September.

The Year In Profile: Building for our Future

Over the past 12 months, our new Shropshire Women and Children's Centre has really taken shape with a hive of activity on the site to prepare it for its opening in September. As I write this we are about to move our Children's Ward at the Princess Royal Hospital (PRH) in to its new home within the centre. This will be the first part of the centre to be open, with a busy few months ahead before the excellent facility fully opens.



If you work at PRH or have visited it recently you will I'm sure have seen our new Shropshire Women and Children's Centre taking shape. Work on the centre is progressing at a rapid pace and is entering the final stages of completion. It promises to be an outstanding facility when it opens in September.

The creation of the centre is just one of the major building works that has taken place over the last 12 months. Others have included the creation of Ward 17, a short-stay medical ward at PRH which opened in April 2014; and the move of a number of teams who don't need to be based in our main hospitals into other buildings at PRH and the Royal Shrewsbury Hospital.

The Children's Ward at PRH, which has been temporarily located on Ward 14, is due to move into part of the new Children's Ward (Ward 19), within the new centre by the end of May 2014.

In the meantime, colour schemes and art work are being applied to individual areas within the building following consultation with patients, parents and staff.

Once commissioning has been achieved and we have received the keys to the centre, a lot of work will take place over the summer, both to prepare the rooms for clinical use and to familiarise staff with the building.

Both the PRH and RSH will still have a Midwife-led Unit, a Children's Assessment Unit, and Outpatient and adult Day Case services.

The Shropshire Women and Children's Centre at PRH will be for:

- Women who need a consultant-led birth
- Gynaecology services where you have to stay overnight
- Children who need to stay overnight
- Children's Oncology and Haematology care

Women having a low-risk birth will still be able to choose to have their baby at home, at one of our five Midwife-led Units (at Oswestry, Bridgnorth, Ludlow, Shrewsbury, or Wrekin at PRH) or one of the Midwife-led Units provided by the Powys Teaching Health Board.

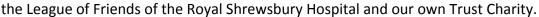
The Year In Profile: Charities

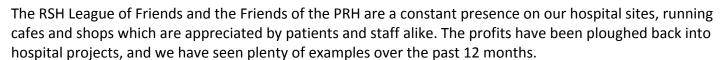
We are immensely grateful for the support we receive from our charity partners. During 2013/14 we saw some incredible examples of how their fundraising has helped us take forward a number of key projects which are benefiting our patients and staff.

Our main charitable partners are the Friends of the Princess Royal Hospital, the League of Friends of the Royal Shrewsbury Hospital and the Lingen Davies Cancer Fund. Alongside this we benefit from fundraising and support from a wide range of local and national charities and groups, as well as our own Trust Charity.

One of the highlights of the past 12 months was the official opening of the new Lingen Davies Cancer Centre. This was an exciting day to remember for our staff, patients and fundraisers as HRH Duke of Gloucester (pictured right with Trust Chair Peter Latchford and former chair of the Lingen Davies Cancer Fund Dr Barbara Marsh) visited the Royal Shrewsbury Hospital to perform the official opening of the £5 million centre.

The Lingen Davies Cancer Fund was at the forefront of the appeal to create this wonderful new facility, and alongside their contribution there was also significant financial support from





Donations included more than £300,000 from the two groups to provide new echocardiogram machines for the Cardio Respiratory Department s at both of our hospitals. These machines carry out a test in which ultrasound is used to examine the heart, which can help to identify problems or abnormalities.

We are always grateful for the support we receive from the Friends, who dedicate so much time and effort to fundraising on behalf of their local hospitals. I would like to thank them on behalf of everyone at the Trust.

As well as these dedicated fundraising groups we received continued support from individuals and organisations in the communities we serve for which we are always

grateful. A big thank you must also go out to our own members of staff who give up their time to take part in fundraising events, such as last year's From Here to Maternity walk, which raised about £18,000 for the Caring for our Future Appeal. The appeal is raising money for a fun, learning environment, and hi-tech facilities at the new Women and Children's Unit.

I can honestly say it has been an exciting year and I am looking forward to seeing the support we receive in the year ahead.

Neil Nisbet, Finance Director



The Year In Profile: Emergency Care

Our hospitals felt considerably different this winter compared to last year. Thanks to the extensive planning, hard work and dedication of our staff we have been able to make sure our patients got the kind of timely, safe and dignified care they expect and deserve.

While we have not been meeting the 95% A&E waiting time standard consistently, our performance has been considerably better this year. Also, when we look at the number of breaches and cancelled operations compared to last year we know our patients are getting a much better experience – which is the most important measure of all for us.

A great deal of planning was carried out to make sure that we were better prepared for the increase in demand we see over the winter period. We also worked closely with our partners in health and social care to ensure the system as a whole was ready to care for people in the right place when they needed it.

We were fortunate that we did not see the added impact of sustained freezing temperatures or a flu outbreak this winter, as this was something that we definitely felt increased the pressure on our services last year.

While it is right that we recognise, celebrate and learn from any success we have, we know we have to be prepared at all times to manage a sudden increase in demand for services. This is not just something we need to be ready for during the winter either. As a provider of specialist acute medical care we need to be

Debbie Kadum Chief Operating Officer

ready to respond to any changes in demand that come from the communities we serve at any time of year, day or night. This is something we are always planning and preparing for.

Going forward we know we need to take a long, hard look at the way we deliver emergency care for the people of Shropshire, Telford & Wrekin and mid Wales. At the moment we have to overcome a lot of challenges in order to deliver the right level of service across two hospital sites. As I have already said, the quality of care and experience that our patients receive has to remain at the heart of all of our decision making and planning and that means we may have to make some tough decisions. The key thing, though, is that the decisions we make provide sustainable solutions to providing our patients with the best possible emergency services now and for the future in Shropshire.



The Year In Profile: NHS Future Fit

In the past 12 months we have embarked on one of the most important journeys there has ever been for healthcare in Shropshire.

Our hospitals serve a large catchment across Shropshire, Telford and Wrekin and mid Wales - enough people to support a full range of acute general hospital services in the county. But our doctors, nurses and other health professionals face a growing challenge from duplication of services and equipment across two relatively small hospital sites.

Our staff do an amazing job to provide the best possible care for our patients. But, looking ahead they are concerned that, without radical changes, it will become harder and harder to provide 24 hour, seven day access to the highest standards of excellent medical treatment that offer our patients the best outcomes, safety and experience.

We also face an increasing demand for services coming from a population increasing in age and size and with ever more complex conditions, for whom we must tailor the way health services are delivered in a sustainable way now and for the future. This is why, along with our partners in health and social care, we launched a full review, in 2013, called Future Fit, of the way acute and community hospital services are delivered in Shropshire, Telford & Wrekin and mid Wales.



The Future Fit programme is a wide ranging review, and a key to its success will be ensuring that the communities we serve are involved in the process. We need to carry out an in-depth analysis of future health needs and shape how services will look in the decades to come. So far, groups of doctors, nurses and patients' representatives have been working together to generate a vision for the future of planned care, emergency services and long-term conditions. These initial ideas will be tested against the needs and wishes expressed by patient focus groups before any detailed options are presented for full public consultation. We would expect this to happen early in 2015. I am keen to see as many people as possible getting involved in this process. You can keep up with everything that is happening at www.nhsfuturefit.co.uk



futurefit Shaping healthcare together

Dr Edwin Borman, Medical Director

The Year In Profile: Stroke Services

Since last summer we have seen real improvements made to the standards of care we provide for acutely ill stroke patients, and this is something we are keen to learn from.

Our hyper-acute stroke services were unified on a temporary basis in Telford in June 2013 and since then there has been a clear improvement in the service received by patients from across Shropshire, Telford & Wrekin and mid Wales. While this led to some patients to the West of Telford having longer travel times, significantly more patients are now receiving a CT scan within one-our of arrival and being admitted to a specialist acute stroke

unit within four-hours of arrival at the unified PRH service.

Given the strength of the evidence the Trust Board was presented with, a decision was made to keep the hyper acute stroke service at the Princess Royal Hospital during 2014 until the longer term shape of the county's acute and community hospital services has been developed through the NHS Future Fit clinical services review.

While there was some opposition and concern about this decision, it was quite simply too hard to argue with the facts - our patients were getting better treatment more quickly, regardless of where they were coming from.



When we took a closer look at why we were seeing such significant improvements it quickly became clear that bringing together our specialist staff on to one site had clear advantages. Having this expertise in one place means that more patients are getting better treatment more quickly – which in turn means they can recover more quickly and have a reduced chance of disability, even if they have to travel further to access the service.

These are similar improvements to those seen for patients from Shropshire, Telford & Wrekin or mid Wales who require brain surgery, for example. These patients are taken straight past our hospitals to specialist centres in Stoke and Birmingham. While this means a longer journey for the patient, it actually improves their chances of survival and recovery because of the specialised services offered at these centres.

The Future Fit review will now be looking at all acute and community

hospital services in Shropshire and Telford & Wrekin to see where long-term and sustainable improvements can be made. From what we have seen through bringing specialist stroke services on to one site, there is a strong case for developing a single centre to deliver the most urgent and acute

hospital services. This idea now needs to be rigorously tested before any proposals are made and taken out to consultation.



Adrian Osborne, Communications Director

The Year In Profile: Volunteering

The Shrewsbury and Telford Hospital NHS Trust recognises and values the work of volunteers, whether they are people who work within our services and alongside our staff or as part of our patient and public involvement work.

Julia Clarke, Director of Corporate Governance

We have about 450 Trust volunteers working across both of our hospitals sites and in many different departments, complementing the work of the staff and providing important services to patients and visitors. We also have a large number of volunteers from the Friends groups of both hospitals and RVS,

who we support by helping with the recruitment process.

This year has once again been extremely positive and we have received national recognition for the significant work we have carried out to strengthen the role volunteers play in our hospitals.

Members of our Volunteer and Membership Team attended the NHS Sustainability Day Awards

2014 ceremony in London in April after being named as a finalist in the Community Engagement category. This nomination came about as a result of the successful volunteer and young volunteer programmes that have been created to support services at the Royal Shrewsbury Hospital and the Princess Royal Hospital in Telford.

While we did not win the award, I was personally delighted to be the only Trust to receive a Highly Commended Award given the staggering amount of

entries the organisers received this year.

When it comes to community engagement and sustainability we are incredibly ambitious and want to build on the tremendous support we receive from staff, patients and the public. We have a number of dedicated programmes in place to help bring volunteers in to our hospitals, such as our Mealtime Buddies and Dementia Activity Buddies who support patients on the ward, and make a real difference for our patients. We have also carried out a lot of work

with young volunteers. This has involved working with schools from the communities we serve and giving young people to get involved with their local hospital and find out more about working in a healthcare environment.

We are also introducing a staff volunteer scheme so non-clinical staff who are employed by the Trust who want to spend some time volunteering to support



Pictured above (from left to right): Hannah Roy, Carla Webster, Marie Sutton and Tony Holt from the Trust's Membership and Volunteering Office

patients on the ward can do so.
This is an important part of making sure there are opportunities for anyone who wants to give some time to support our patients. We are now aiming to make the next 12 months as successful as the



year just gone.

3. Introduction to the Trust

The Shrewsbury and Telford Hospital NHS Trust is the main provider of district general hospital services for nearly half a million people in Shropshire, Telford & Wrekin and mid Wales.

Our main service locations are the Princess Royal Hospital (PRH, below) in Telford and the Royal Shrewsbury Hospital (RSH, bottom) in Shrewsbury, which together provide 99% of our activity.





Both hospitals provide a wide range of acute hospital services including accident & emergency, outpatients, diagnostics, inpatient medical care and critical care.

During 2012/13 the Princess Royal Hospital became our main specialist centre for inpatient head and neck surgery with the establishment of a new Head and Neck ward and enhanced outpatient facilities. The Royal Shrewsbury Hospital became our main specialist centre for acute surgery with a new Surgical Assessment Unit, Surgical Short Stay Unit and Ambulatory Care facilities.

Our current model for women and children's services includes outpatient and inpatient children's services on both sites, midwife-led maternity services at PRH and consultant and midwife-led maternity services at RSH. Our future model from September 2014 will see PRH become our main centre for inpatient women and children's services with both sites providing children's outpatient services, children's assessment unit and midwife-led maternity services. Construction work is under way at PRH to create the state-of-the-art new facilities which will open later this year.

Alongside our services at PRH and RSH we also provide community and outreach services such as:

- Consultant-led outreach clinics (including the Wrekin Community Clinic at Euston House in Telford).
- Midwife-led units at Ludlow, Bridgnorth and Oswestry.
- Renal dialysis outreach services at Ludlow Hospital.
- Community services including midwifery, audiology and therapies.

We employ over 5000 staff, and hundreds of staff and students from other organisations also work in our hospitals. We benefit from 950 volunteers working for the Trust and for our main charitable partners (the Friends of the Princess Royal Hospital, the League of Friends of the Royal Shrewsbury Hospital and the Lingen Davies Cancer Appeal).

With a turnover in the region of £314m in 2013/14 we saw 55,666 elective & daycase spells, 46,050 non-elective inpatient spells, 6,547 maternity episodes, 355,799 consultant led outpatient appointments and 106,186 accident and emergency attendances.

Our Strategy and Priorities

Our central organising principle is Putting Patients First. This guides all of our decisions, striving to be relentless in our pursuit of the patient's interests and using our resources wisely to provide timely care that meets the standards of quality and safety that our patients and communities expect and deserve.

Building on this, we have developed our strategy based on five strategic goals:

- Quality and Safety: Providing the best clinical outcomes, patient safety and patient experience
- Healthcare Standards: Delivering consistently high performance in healthcare standards
- People and Innovation: Striving for excellence through people and innovation
- Community and Partnership: Improving the health and wellbeing of our community through partnership
- Financial Strength: Building a sustainable future

These goals provided the framework for our operational objectives during the year, and for our strategy and decisions going *forward*.



Our Values

Underpinning our strategy is our framework of values, which has been developed with staff and patients during 2013/14:



Our statutory basis

We are legally established under the National Health Service Act 2006 as a National Health Service Trust and were established in our current form as The Shrewsbury and Telford Hospital NHS Trust in 2003 following the merger of The Princess Royal Hospital NHS Trust and the Royal Shrewsbury Hospitals NHS Trust.

Further information

More information about the range and quality of our services is available on our website at www.sath.nhs.uk

4. Performance

Our strategy as a Trust is based on the central organising principle of Putting Patients First - ensuring safe, timely care within available resources.

Our 2013/14 Strategic Plan described our longer term strategic planning framework and our priorities for the year. It reinforced that Putting Patients First is our highest priority and our organising principle that will underpin all of our developing clinical strategies and operational plans.

Our strategy was developed based on five strategic goals that aimed to ensure a balanced approach in order to achieve success for our patients and our workforce.

Our five strategic goals during 2013/14 were:

- Quality and Safety: Providing the best clinical outcomes, patient safety and patient experience
- Healthcare Standards: Delivering consistently high performance in healthcare standards
- People and Innovation: Striving for excellence through people and innovation
- Community and Partnership: Improving the health and wellbeing of our community through partnership
- Financial Strength: Building a sustainable future

Across these goals we identified 33 operational objectives for 2013/14, which are summarised in Table 4a:

Table 4a	Operational Objectives for the Trust
Strategic	
Goal	Operational Objectives
Quality and Safety	QS1 Reduce avoidable deaths QS2 Improve the nutritional status of patients and hydration and fluid management QS3 Enhance communication and information for all patients and their carers QS4 Eradicate all avoidable grade 3 and 4 pressure ulcers QS5 Reduce the number of RIDDOR reportable falls QS6 Develop plans to extend 7 day working QS7 Achieve all CQUIN targets and PROMs to improve safety and patient experience QS8 Develop a long-term clinical services site strategy and wider health strategy for the optimal configuration of acute, community and primary care services QS9 Focus on improving clinical outcomes particularly for stroke and fractured neck of femur
Healthcare standards	HS1 Ensure bed capacity meets demand supported through wider health partnership solutions HS2 Improving the timely flow of patients from admission to discharge HS3 Deliver all key performance targets HS4 Embed and enhance new booking and scheduling arrangement
People and Innovation	PI1 Implement a Staff Engagement Framework that improves employment experience and reduces absence to less than 4% PI2 Embed Employment Basics contract, pay and policy PI3 Increase workforce flexibility through new roles and working practices PI4 Build leadership and management capability PI5 Deliver benefits for patients from Academic Health Sciences Network, High Impact Interventions and Research and Development
Community and Partnership	 CP1 Develop an integrated service strategy in conjunction with all health and social care partners CP2 Embed the Frail & Complex service CP3 Deliver the benefits for patients through the implementation of RAID service (Rapid Assessment Integrated Discharge) and dementia practice CP4 Progress Telehealth initiatives in line with commissioners' strategies CP5 Deliver priority health and wellbeing initiatives CP6 Achieve sustained improvement in trust, confidence, reputation, customer service and public/community engagement
Financial Strength	FS1 Deliver our milestones to achieve Foundation Trust status FS2 Deliver milestones within the Women and Children's services reconfiguration plan FS3 Deliver a financial surplus of £1.2m FS4 Deliver the Trust 5% implied efficiency target and support delivery of joint QIPP FS5 Develop an investment strategy to secure funds to modernise the Trust estates and infrastructure FS6 Address liquidity issues FS7 Produce strategy for integrated clinical & patient information systems & associated IT FS8 Complete Pathology reconfiguration and CSSD tender exercise FS9 Develop environmental and sustainability through Good Corporate Citizen progress

Table 4b (below) provides a summary of progress against our Strategic Plan 2013/14. We recognise that we were not able to achieve all that we would have wanted; however, as a Trust we are committed to progressing our plans to continuously improve the services that we provide to patients.

Table 4b	Examples of progress during the Year Ended 31 March 2014
2013/14 Strategic Goal	Progress against our Operational Objectives for Quality and Safety
	Improving quality remains a priority for the Trust. Our updated Quality Improvement Strategy, which demonstrates our commitment to continuous quality improvements, was approved by the Trust Board in June 2013.
	Ensuring that our hospitals are safe is of paramount importance, and the Hospital Standardised Mortality Ratio (HSMR), referenced within the Francis report, is an important measure to enable us to monitor safety. Within the Trust there continues to be a reduction in avoidable deaths, and the latest mortality data show that we are consistently below the national peer group average.
	To ensure that patients receive the required level of fluid and nutrition, nutritional status information leaflets have been devised and a programme of protected mealtimes has continued on the wards throughout the year, with mealtime buddies helping patients who need support with eating.
	The Trust has continued to see a reduction in the number of avoidable pressure ulcers compared to last year. A Pressure Ulcer Prevention Action Group has been established and meets monthly to review our progress, and to assist with staff education.
	Preventing falls while a patient is in hospital is of paramount importance to the wellbeing and recovery of the patient. A Falls Prevention Task Group was established early in the year, and a Falls Prevention Practitioner was appointed in November 2013.
Quality and Safety	Earlier access to clinical services at all times provides significant benefits to patients, rapid intervention and clinical decision making greatly improves outcomes and the time that patients spend in hospital. Seven day working has been an integral part of our Pathology, Radiology and Therapy Care Group workforce plans throughout the year, and plans are being developed for seven day working within our acute medical teams.
-	CQUIN (Commissioning for Quality and Innovation) targets are set each year by our commissioners. These targets are agreed to improve safety and patient experience. The Trust is projected to achieve 80% of CQUIN schemes for this year. Positive achievements have been seen in the following areas; VTE, Friends and Family Test, Falls Prevention, Baby Friendly status within Maternity and Values based recruitment.
	Recent data demonstrate that our patients are having a better experience whilst in our hospitals. The results of the latest national inpatient survey, published in April 2014, demonstrate significant improvement for the Trust in 10 of the areas surveyed. There were no areas where there was a significant decrease in results.
	The need to develop a sustainable health system has been recognised for some time and the growing demand for services requires a radical change in how services are delivered. A local health economywide programme is now in place, NHS Future Fit, which is described further in the Community and Partnerships section below.
	During 2013/14 the Trust identified two areas as a priority for improving clinical outcomes, those being Stroke and Fractured Neck of Femur. Significant progress has been made during the last 12 months for patients presenting with a Fractured Neck of Femur including increasing the number of patients receiving operative care and reducing the time taken for patients to receive the necessary operations. Last year our stroke services were unified at Princess Royal Hospital. This has had a significant positive effect on clinical outcomes for patients. As a result of this move, the TIA (Transient Ischaemic Attack) service is now being delivered five days a week, with plans to extend this to seven days.

Examples of progress during the Year Ended 31 March 2014 2013/14 Strategic Goal **Progress against Operational Objectives for Healthcare Standards** During the year, the Trust has focused on addressing existing capacity challenges including the reconfiguration of beds across both our hospital sites to improve patient flow and pathways. Winter can present acute hospitals with significant challenges, and a Health Economy Winter Plan was developed in September 2013; this created additional community, social care and flexible 'spotpurchase' nursing/residential home beds, social care provision and packages of care. We have developed a number of proposed schemes to support our delivery of high performance in healthcare standards, for example, establishing an urgent care centre, making improvements in ambulatory and emergency care delivery, becoming a centre of excellence for Care of the Elderly, and Healthcare establishing a Clinical Decision Unit at Princess Royal Hospital. Standards How we manage our waiting lists has significantly improved throughout the year, with more patients being seen within the 18 week referral to treatment pathway. We are also making progress with meeting our cancer targets and anticipate fully meeting these from April 2014, having put a Cancer Action Plan in place. We launched the Trust's Call and Book Centre in February 2013, which was centralised on the Royal Shrewsbury Hospital site and further developments have taken place this year to improve the experience of patients who need to access our services. During March 2014 an automated reminder system was implemented, to remind patients by phone call and by text of their forthcoming appointments, to reduce the numbers of appointments which patients do not attend.

2013/14 Strategic **Progress against Operational Objectives for People and Innovation** Unfortunately, the sickness absence rate within the Trust is still higher than we would like; however, the current absence level is lower than the previous year. The Trust is continuing to promote schemes to improve staff health. Our Health and Wellbeing Action Plan supports our staff to be healthy both in and out of work. Initiatives this year have included Zumba classes and courses on how to lead a healthier lifestyle. This year's Flu Campaign was very successful, with 68% of our frontline staff on the wards and in other clinical settings being vaccinated, thereby helping to protect both themselves and their patients. Our People Strategy was approved by the Trust Board in January 2014, and sets out our vision to make the Trust a great place to work: this in turn means that we have staff in our organisation who are committed to ensuring an excellent experience for our patients. During the summer of 2013, we introduced a values-driven approach to cultural change with the launch of new Trust Values and 'values based recruitment'. A high profile Leadership Conference was successfully delivered in October 2013 as part of our overall leadership development commitment. People and We are pleased to report that the 2013 staff survey results showed significant improvements over Innovation previous years' results, demonstrating that the actions we are taking are having a positive impact for our staff. Developing new roles and working with the community is very important in order to provide local

opportunities and to develop the right skill sets for delivering healthcare services. 166 individuals were supported through vocational learning and apprenticeship frameworks during 2013/14. The Trust is also developing sector-based skills academy in partnership with Job Centre Plus and SBC Training and the

The Trust will continue to promote a focus on improved customer care, and a systemised programme to

The Trust has a robust research and development programme, being one of the top 100 recruiters into clinical trials within the National Institute for Health Research. In particular, we recruited 266 patients

create a culture of continuous improvement will further build on the work that we have started.

Examples of progress during the Year Ended 31 March 2014

Prince's Trust 'Get into Healthcare Services' partnership.

into cancer randomised controlled trials against a target of 178 patients.

Examples of progress during the Year Ended 31 March 2014

2012/13 Strategic Domain

Progress against our Strategic Themes for Community and Partnership

The local health community review of acute and community hospital services, NHS Future Fit, has now begun. Through positive collaborative working relationships between commissioners and healthcare partners, the aim is to develop a plan for the future provision of local health care with a particular focus on bed-based services. The development of service models is being progressed with input from clinical teams across the local health community, and from feedback from patients and communities across Shropshire, Telford and Wrekin, and mid Wales. It is planned that public consultation on the proposals will take place during 2015.

Work has also started with our local health community partners on the utilisation of the Better Care Fund top-sliced funding to support ways in which patients' admissions to hospital can be avoided and to help with prompt discharge of patients when they are fit to leave hospital. Revised pathways for Frail and Complex patients will ensure that these patients receive the right care in the most appropriate place.

We have continued to make positive progress to meet our targets for good practice in Dementia. We have developed training and education programmes for our front line staff and provided workshops on Understanding Dementia. The Carers' Passport has been introduced to support flexible visiting and to enhance the engagement and involvement of those who care for family and friends with dementia.

Community and Partnership

Telehealth provides a method to deliver revised models of care reducing the need for patients to attend a hospital setting and to increase access to specialist advice remotely. During 2013/14 the Trust has been involved in small pilot schemes which include: extending patient information status to Community Hospitals; monitoring and reducing the impact of Heart Failure and Epilepsy; and, reviewing the use of monitoring aids to predict falls.

In addition to the staff health and wellbeing initiatives the Trust has also progressed events within the wider community. We held two successful arts workshops in conjunction with Creative Health CIC, one at the Royal Shrewsbury Hospital, and one at the Princess Royal Hospital. These workshops were extremely well received, with the main focus being on group discussions around a variety of health-related themes.

Stoptober promotional materials were promoted across the Trust to support smoking cessation and our Communications Director participated in national Stoptober publicity including an interview on BBC Radio 4 Inside Health in October 2013, having successfully quit smoking as part of Stoptober 2012.

Engaging with the public, wider community and our commissioners enables us to develop services that meet local need and to address the issues that they feel are of concern. A key area of focus during 2013 for refreshed public and community engagement has been the launch of the NHS Future Fit programme, referred to earlier, which has involved a series of events and activities with patients and communities across Shropshire. Telford & Wrekin and mid Wales.

A GP Engagement Strategy is being developed, to strengthen and sustain good relationships and effective communication with our local GPs, both as commissioners and providers. This strategy will be supported by a work plan which identifies our priorities and the associated actions and improvements that are required to address issues and concerns raised by GP practice teams.

Examples of progress during the Year Ended 31 March 2014

2013/14 Strategic Goal

Progress against our Operational Objectives for Financial Strength

Achieving Foundation Trust (FT) status remains a goal for the Trust, but our priority will always be to ensure firm foundations of high quality services, delivering healthcare standards and financial balance which remain a challenge. Ensuring governance frameworks are in place to provide assurance on service delivery is a key requirement within an FT application. A Board Governance Assurance Framework (BGAF) is now embedded within the Trust.

The building of the new Shropshire Women and Children's Centre at Princess Royal Hospital continues to progress on track, and the new centre will open in September 2014. Ward refurbishments and relocations in support of this work have taken place throughout the year. Communication and engagement plans with all stakeholders are progressing.

The Trust has delivered a breakeven position this year although financial support was required to achieve this. Ongoing cost pressures associated with dual site working remain a significant concern for the Trust impacting on both investment and liquidity.

The Trust has achieved total efficiency savings of £13m in the 2013/14 financial year and has secured funding for investment in IT systems . This funding will support the development and implementation of clinical portal and e-prescribing systems. Recruitment to fill development posts within the Information Technology Team is now underway.

Financial Strength

The reconfiguration of our Pathology services has progressed well this year resulting in many services now reconfigured onto a single site. Virology services transferred to RSH in December 2013, a Cellular Pathology service was established at RSH, following the transfer of non-gynaecological Cytology services to RSH in January – Gynaecological Cytology services transferred to the University Hospital of North Staffordshire NHS Trust from January 2014.

The nature of our business means that we are heavy users of energy and water, and produce significant quantities of waste. The Trust is committed to reducing the impact that we have on the environment and contributing to a reduction in our carbon footprint. A new domestic waste contract is now in place, and we are improving the boiler plant efficiency and reducing water consumption at Princess Royal Hospital. We have also appointed a Travel Plan Co-ordinator (a joint post with Shropshire Council and Telford & Wrekin Council) to support our staff in reducing single vehicle occupancy as they travel to and from home and between our hospital sites.

A Good Corporate Citizen assessment is conducted annually (usually April / May) using a package provided by the NHS Sustainable Development Unit. The Trust achieved a score of 60 in Q1 2013/14 which places us in the top 10% of Trusts nationally. Significant progress has been made in environmental issues since that assessment and this will have further improved our score.

Looking ahead to 2014/15

Our long-term vision reiterates our underlying principle of "Putting Patients First" that has shaped our priorities and operational plans. Our commitment is to ensure that the interests of our patients, and providing the best possible care to them, are at the heart of everything we do.

Our strategy, which is described within our Two Year Operating Plan for 2014/15 to 2015/16, builds on our plans from last year and describes our vision for the future. Our plan continues to reflect the same five Strategic Goals:

- Quality and Safety: Providing the best clinical outcomes, patient safety and patient experience
- Healthcare Standards: Delivering consistently high performance in healthcare standards
- People and Innovation: Striving for excellence through people and innovation
- Community and Partnership: Improving the health and wellbeing of our community through partnership
- Financial Strength: Building a sustainable future

We recognise the scale of the challenge that we face so to provide a focus for the organisation and a reporting structure for the Board we have identified our 10 Strategic Priorities:

- Reduce harm, deliver best clinical outcomes and improve patient experience through our Quality Improvement Strategy.
- Develop a transition plan (with supporting workforce plans, mitigation actions and contingency plans) that ensures the safety and short-term sustainability of our challenged clinical services.
- Address the existing capacity shortfall and process issues to consistently deliver national healthcare standards.
- Undertake a review of all current services at speciality level to inform future service and business decisions.
- Complete and embed the successful reconfiguration of Women and Children's services).
- Develop a sustainable long term clinical services strategy for the Trust to deliver our vision of future healthcare services through our Future Fit Programme.
- Develop our leaders and promote staff engagement to make our organisation a great place to work through our People Strategy.
- Embed a customer focussed approach and improve relationships with our GPs through our Stakeholder Engagement Strategy.
- Develop a transition plan that ensures financial sustainability and addresses liquidity issues pending the outcome of the Future Fit Programme.
- Develop a robust Investment Strategy to modernise our equipment and estate to support service transformation and increase productivity through the use of technology.

Each of these priorities is supported by a suite of Operational Objectives which is summarised overleaf.

Our Strategic Priorities and Operational Objectives for 2014/15 are set out in Table 4c:

Table 4c	Operational Objectives for 2014/15			
Strategic Priority	Lead	Operational Objectives		
		Further reduce avoidable deaths by learning from Mortality Reviews Improve the clinical outcome of patients with Fractured Neck of Femur:		
Reduce harm, deliver	Medical Director	increasing surgical, rather than conservative management of patients in line with the National Hip Fracture Database, and achieving all elements identified within the Best Practice Tariff		
best clinical outcomes and improve patient		Reduce the level of harm to patients, and particularly that resulting from falls, through the use of the Safety Thermometer		
experience through our	Director of Nursing	Reduce the number of healthcare associated infections		
Quality Improvement Strategy	& Quality	Implement effective systems to engage and involve patients, relatives and carers as equal partners in care		
		Improve care of the dying through implementation of best practice		
	Director of Quality & Safety /	Develop robust plans to recruit to establishment to ensure safe staffing levels		
	Workforce Director	Progress plans to extend 7 Day Working		
Develop a transition plan, with supporting		Agree Business Continuity Plans for the Emergency Department with commissioners		
workforce plans, mitigation actions and		Embed a sustainable 7 day model of care for Stroke services		
contingency plans, that ensures the safety and	Chief Operating Officer	Scope the development of emergency ambulatory care and Urgent Care Centres		
short term		Complete workforce reviews and develop plans in challenged specialties		
sustainability of our challenged clinical services		Complete a service review of challenged specialties, commencing with Cardiology and Ophthalmology, and consider proposals to redesign these services		
		Implement the Medicine Strategy		
		Commence winter planning in April 2014 to include the consideration of a drop in day surgery unit		
Address the existing		Scope options for resolving the bed capacity shortfall e.g. Hospital at Home schemes; working with alternative providers; implementing different models of care both internally and across the Local Health Economy e.g. alternative models of sustainable care		
capacity shortfall and process issues to consistently deliver	Chief Operating Officer	Consider capital schemes e.g. development of a Clinical Decision Unit and a Theatre Admissions Lounge at Princess Royal Hospital and ringfencing of Orthopaedic beds		
national healthcare standards		Participate in planning new models of care as part of the Better Care Fund initiative		
		Complete a root and branch review of our Cancer services, with the support of the IST and Christie Hospital, and develop an Improvement Plan and a Cancer Strategy		
		Participate in a strategic review of access to Orthopaedic services (commissioner led)		
		Develop community service models and increase direct access for GPs		
Undertake a review of all current services at	Chief Operating Officer / Finance	Complete a comprehensive market assessment and develop robust marketing plans		
specialty level to inform future service and	Director / Director of Business and	Review operational and financial performance in all specialties through service line reporting and key performance indicators		
business decisions	Enterprise	Develop robust business cases for homecare services		

Complete and embed		Transfer of Women and Children's services to Princess Royal Hospital				
the successful reconfiguration of	Director of Business and	Embed revised pathways following the transfer of services to Princess Royal Hospital				
Women and Children's services	Enterprise	Agree and implement the model for the Women and Children's services remaining at Royal Shrewsbury Hospital				
Develop a sustainable long term clinical		Develop an Options Appraisal for future service models				
services strategy for the Trust to deliver our vision of future	Director of Business and Enterprise	Commence, and complete, public consultation on proposed clinical services models				
healthcare services through our Future Fit Programme	,	Produce an Outline Business Case to deliver revised clinical services models				
Develop our leaders		Develop a Values-driven organisation				
and promote staff	Chief Executive /	Implement the Trust's Leadership Development Programme				
engagement to make our organisation a	Workforce Director	Develop a culture of continuous improvement and lean process redesign				
great place to work	/ Communications Director	Develop a customer care strategy				
through our People Strategy	Director	Develop 5 Year Workforce Plans for all services that supports transformation				
Embed a customer		Develop a Stakeholder Engagement Strategy				
focussed approach and improve relationships with our GPs through	Communications Director / Director of Business and	Manage GP relationships through a robust GP Engagement Strategy and focussed account management				
our Stakeholder Engagement Strategy	Enterprise	Continue to develop environmental and social sustainability through the Good Corporate Citizen programme				
Develop a transition		Secure transitional support from the Trust Development Authority and local commissioners				
plan that ensures financial sustainability and addresses liquidity	Finance Director	focussed account management Continue to develop environmental and social sustainability through th Good Corporate Citizen programme Secure transitional support from the Trust Development Authority and				
issues pending the outcome of the Future						
Fit Programme		Engage with commissioners with regard to utilisation of Better Care Fund				
Develop a robust Investment Strategy to		Implement e-prescribing				
modernise our equipment and estate to support service	Finance Director / Chief Operating	Implement and embed an integrated clinical portal system				
transformation and increase productivity	Officer	Identify solutions to address equipment replacement needs				
through the use of technology		Produce an Outline Business Case to deliver revised clinical services models Develop a Values-driven organisation Implement the Trust's Leadership Development Programme Develop a culture of continuous improvement and lean process redesign Develop a customer care strategy Develop 5 Year Workforce Plans for all services that supports transformation Develop a Stakeholder Engagement Strategy Manage GP relationships through a robust GP Engagement Strategy and focussed account management Continue to develop environmental and social sustainability through the Good Corporate Citizen programme Secure transitional support from the Trust Development Authority and local commissioners Identify recurring cost improvement programmes Agree contracts and short-term borrowing arrangements Engage with commissioners with regard to utilisation of Better Care Fund Implement e-prescribing Implement and embed an integrated clinical portal system				

Summary of DH Performance Framework in the Year Ended 31 March 2014

The NHS Performance Framework 2013/14 for acute trusts set out the key priorities for NHS organisations. At the end of year the Trust performed well against all domains of the Framework with the exception of 18 week referral to treatment times and A&E access times. A summary of performance against the Framework is provided below in Table 4d.

Table 4d	Summary of Performance in Year Ended 31 March 2014					
		Numerator / Data			Performance in Year Ended 31	
Domain	Indicator	Denominator	Source	Thresholds	March 2013	
	Four-hour maximum wait in A&E from arrival to admission, transfer or discharge	The number of patients spending four hours or less in all types of A&E department / The total number of patients attending all types of A&E department	Weekly SitReps	Performing: 95% Under-performing: 94%	93.40%	
A&E	12 hour trolley waits	The number of patients waiting in A&E departments for longer than 12 hours after a decision to admit	Weekly SitReps	Performing: 0 Under-performing: >0	17	
	1 hour ambulance handovers	Ambulance handovers not completed with 60 minutes		Performing: 0 Under-performing: >0	41	
	RTT - admitted - 90% in 18 weeks	Total number of completed admitted pathways where the patient waited 18 weeks or less vs. Total number of completed admitted pathways in quarter		Performing: 90% Underperforming: 85%	76.98%	
18 week Referral to Treatment (RTT)	RTT - non-admitted - 95% in 18 weeks	Total number of completed non- admitted pathways where the patient waited 18 weeks or less vs. Total number of completed admitted pathways in quarter	Monthly RTT returns via UNIFY	Performing:95% Underperforming: 90%	93.08%	
,	RTT – incomplete pathways	Total number of patients on incomplete pathways less than 18 weeks vs. total number on incomplete pathways		Performing: 92%	89.71%	
	RTT – greater than 52 weeks	Total number of patients waiting longer than 52 weeks from referral to treatment		Performing: 0	38	
Diagnostics	Diagnostic Tests waiting times	Percentage of patients waiting 6 weeks or more for a diagnostic test (15 key diagnostic tests) at the end of the period	rcentage of patients iting 6 weeks or more for a gnostic test (15 key gnostic tests) at the end of		0.51%	
Stroke Services	90% stroke unit admissions	Number of patients who spend at least 90% of their time on a stroke unit vs. Number of people who were admitted to hospital following a stroke	Stroke Audits	Performing:80% Underperforming: 60%	87.50%	
Cancelled	28 day readmission	Number of patients cancelled on day of surgery not readmitted within 28 days		Performing: 0	12	
Operations	Multiple cancellations of urgent operations	Number of urgent operations cancelled more than once		Performing: 0	0	

	2 week GP referral to 1st outpatient			Performing: 93% Underperforming: 88%	94.58%
	2 week GP referral to 1st outpatient - breast symptoms			Performing: 93% Underperforming: 88%	93.35%
	31 day diagnosis to treatment for all cancers			Performing: 96% Underperforming: 91%	97.33%
	31 day second or subsequent treatment - drug		Cancer Waiting Times Database	Performing:98% Underperforming: 93%	99.09%
Cancer Waiting	31 day second or subsequent treatment - surgery	Please see cancer waiting times guidance for definitions of these performance standards		Performing:94% Underperforming: 89%	93.35%
Times	31 day second or subsequent treatment – radiotherapy	Standards		Performing: 94% Underperforming: 89%	97.69%
	62 days urgent GP referral to treatment of all cancers			Performing:85% Underperforming: 80%	81.48%
	62 day referral to treatment from screening			Performing: 90% Underperforming: 85%	93.98%
	62 day referral to treatment from hospital specialist			Performing:85% Underperforming: 80%	92.13%
Infection	MRSA	Actual number of MRSA vs. planned trajectory for MRSA		Performing: No more than 1 MRSA; No	1 case
Prevention and Control	C.diff	Actual number of C diff vs. planned trajectory for C diff		more than 27 Cdiff Under-performing: greater than 1 standard deviation	31 cases
	Maternity dashboard	Number of reds on maternity dashboard		Performing: 0	0
	Publication of formulary	Publication of formulary		Performing: Yes	Yes
Quality of Care	Mixed sex accommodation breach rate	The number of MSA breaches	Collection via UNIFY	Performing: 0	0
	VTE Risk Assessment	Number of adult inpatient admissions reported as having had a VTE risk assessment on admission	UNIFY mandatory returns	Performing: 95% Underperforming: 90%	95.20% (Month 12)

A&E and Unplanned Care

The Trust continued to under-achieve against the national standard of 95% of patients assessed, treated, discharged, admitted or transferred within four hours. However we have made a number of significant improvements towards the delivery of this target and at year-end our performance was 2.8% better than for 2012/13 – effectively this means over 3500 more patients completing their A&E care within four hours.

These improvements have been achieved through a number of reconfiguration changes and process improvements. This included reconfiguration of the Acute Medical Unit (AMU) and Surgical

Assessment Unit (SAU), development of improved short-stay medical facilities, strengthened specialty input into AMU and the Emergency Department. The main internal factors contributing to this underperformance include: the challenges associated with duplication of acute and episodic care across two small hospital sites; linked to this, the availability of bed capacity to meet surges in demand and reduce overall bed occupancy; and, the physical constraints and capacity of our emergency departments. These issues are being addressed through the NHS Future Fit review.

In 2014/15 we will continue to improve the performance against the national standard with an expected delivery of the national target by year end. To enable us to deliver this we will be looking at options to create Urgent Care Centres alongside A&E departments, as well as the further development of ambulatory care to prevent admission. This will help us to reduce reliance on hospital beds, reduce bed occupancy, improve flow and meet surges in demand.

Referral to Treatment for Planned Care

The Trust has improved its performance against the admitted referral to treatment target in 2013/14, and is on trajectory to achieve the overall target in October 2014. Unfortunately the Trust did not deliver the non admitted standard at year-end in March 2014. This was due to commencement of work to reduce a backlog of ophthalmology patients waiting longer than the 18 week standard. We are working with local Clinical Commissioning Groups to address the level of demand within this specialty, and additional activity has been commissioned from The Practice (an independent provider). The Trust will continue to work with commissioners and local optometrists to ensure we are able to deliver a sustainable ophthalmology service to our population. As a result of the non-performance against the two standards the "incompletes" target has not been achieved.

Cancer

The Trust underperformed against two of the 9 cancer standards at the year end: 31 day subsequent surgery; and 62 day referral to treatment. Significant improvements have been made over the last four months against the other targets and the Trust is working with the Intensive Support Team (IST) to improve performance against the 62 day standard. A Remedial Action Plan (RAP) is in place incorporating the key recommendations from the diagnostic undertaken by the IST and is on plan to deliver the standard from July 2014.

Cancelled operations

There were 12 cancelled operations during the year that were unable to be re admitted within 28 days as per the standard. This is a significant improvement on the previous year (100 in 2012/13).

Overview of Quality Performance in the year ended 31 March 2014

Quality & Safety Assurance

Ensuring that quality services are provided safely to the patients within our care and reducing harmful events remains a key strategic goal for the Trust. To provide assurance to the Board; senior nurses, clinicians and leaders have been working within newly structured care groups during 2013/14 to develop a framework for quality and safety assurance. The framework aims to deliver assurance at all levels of the organisation using evidence that patients are receiving the best care and experience.

Work will continue during 2014/15 to embed the framework using a "Dashboard" created to measure improvements via a minimum set of key data metrics that includes lessons learned from complaints, serious incidents, patient safety incidents and patient experience feedback. At a ward level, this information is collected, shared and disseminated via the senior nurses forums and care group

governance boards whilst in future it will be received by the Clinical Governance Executive (CGE). The CGE has been reviewed to include senior clinical lead attendance and revised its terms of reference to strengthen its role as a sub-committee of the Quality & Safety Committee with delegated responsibilities.

Further changes necessary during 2014/15 will be to embed our quality assurance systems within all levels of the organisation. In addition we will be revisiting and assessing ourselves against the Quality Governance Assurance Framework in order to satisfy the Board, our staff and our patients that we have effective arrangements in place to continuously monitor and improve the quality of care that we provide.

Quality Improvement

The Trust developed its Quality Improvement Strategy (QIS) in 2012 and provided a 5 Year Framework outlining the quality programmes for improvement to ensure that our patients experience high standards of care. Since 2012 the landscape within the NHS has seen many changes that have influenced the development and requirements for quality and improvement. In response to the changes the Trust plans to review the QIS during 2014/15 and align its priorities with the 5 CQC domains of Safe, Caring, Effective, Responsive and Well Led in order to further embed a culture of continuous quality improvement and assurance across the organisation.

Quality Priorities

Keeping our patients safe and free from harm is an ongoing priority within the Trust in relation to a number of areas. Consultation and engagement with our commissioning colleagues and stakeholders has identified key priorities for 2014/15, and more details of the Trust's quality and safety priorities can be found in our Quality Account 2013/14 which is included as an Appendix to this Annual Report.

In the last 12 months, we have reduced the number of overall falls, reduced avoidable Grade 3 and 4 pressure ulcers and improved the timely completion of venous thromboembolism (VTE) risk assessments within the Trust. Likewise, led by the Mortality Group, we have sustained improvement across all mortality measurement tools and undertaken a process for learning from the review of all deaths including peer challenge.

To sustain improvements the Trust is part of a local Harm Free Care Board that promotes harm free care across the health community and looks at initiatives that will help to improve the prevention of key harms. Further work will take place during 2014/15 to reduce and measure the outcomes of harms and identify the impact of improvement work.

Listening to and learning from our patients gives us a rich picture of our patients' experience of care and insight into what matters to them; particularly in relation to what we do well and how we can improve when care goes wrong. During 2013/14, we have developed a number of patient feedback mechanisms that has improved our responsiveness and tells the patients experience of care to all levels of the organisation; including the Board.

Following changes made within the complaints department the Trust now achieves a response rate of over 90% within the timescale and a reduction of overall complaints of 34%. We have also developed and strengthened the role of our Patient Experience & Involvement Panel (PEIP) members so that they deliver independent scrutiny into our patient experience. Furthermore, we have provided training in relation to the use of observational care tools to provide a source of real time patient feedback. Further plans identified for 2014/15 include introducing patient diaries, quality performance reviews, embedding the ward walks by the Quality and Safety Committee and introducing patient listening events.

Our new organisational values provide an opportunity to reinforce our approach to ensuring safe, effective services through a responsive and caring workforce. In order to sustain a culture of caring during 2013/14, the Trust also introduced a values based recruitment process for both health care assistants and registered nurses whilst providing further training in the "Fundamentals of Care" expected by the Trust. Further development during 2014/15 will include building on existing work around the practice engagement model approach with Staffordshire University, both during the training of our student nurses and post registration nurses to further embed the Trust vision for delivering compassionate care and improving the student's placement experience.

The latter part of the last fiscal year also identified that safe nursing staffing levels were of critical importance in delivering high quality, safe and effective care. Led by the Director of Nursing and Quality, a review of the Trust position regarding safe nursing staffing levels was undertaken in October 2013. The proposed changes resulting from the staffing review will be implemented and reviewed regularly during 2014/15 in order that we are assured of safe nurse to patient ratios by ward. Safe nursing levels will be reported to the Board on a monthly basis and available for patients and relatives to see at ward level.

Despite increasing the capacity of our nursing workforce, the Trust is required to make ongoing efficiency savings year on year. All cost improvement programmes, service developments and capital builds are assessed using the Quality Impact Assessment (QIA) process to ensure that we are confident of the impact and understand the risks of any efficiency proposals on the quality of our services and care provided. This process has been revised to ensure that it is both user friendly for staff to complete and also timely in the review and approval process. All QIAs are reviewed and agreed by the Medical Director, Director of Nursing and Director of Operations.

Much work has been undertaken by the Trust during 2013/14 to work in partnership and collaboration with provider and commissioning colleagues. This included a pilot redesign of services for our frail elderly population with the aim to reduce hospitalisation and promote increased independence where able. Led by commissioners, we will be exploring further opportunities for collaborative working and liaising with our partner providers during 2014/15 as part of the NHS Future Fit programme which will be looking at the sustainability of clinical services across the local health economy.

The Quality priorities established for 2013/14 in last years Quality Account are evaluated and reviewed in detail in the quality Account at Appendix 1. The quality priorities for 2014/15 developed with external and internal stakeholders are also set out in more detail in the Quality Account.

Summary of Service Activity in the year ended 31 March 2014

During 2013/14 we saw:

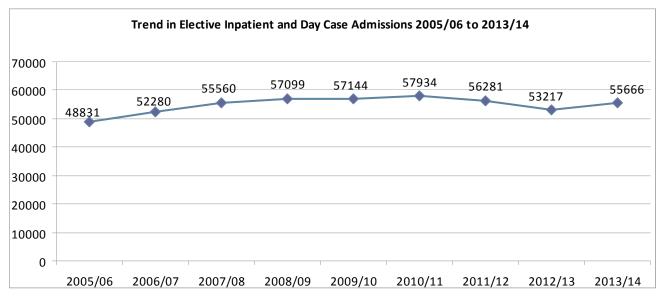
- 55,666 elective & daycase spells (4.6% increase)
- 46,050 non-elective inpatient spells (3.8% increase)
- 6,547 maternity spells (3.3% decrease)
- 355,799 consultant led outpatient appointments (3.7% increase)
- 106,186 accident and emergency attendances (4.1% decrease)

This is summarised by speciality in Table 4e (below).

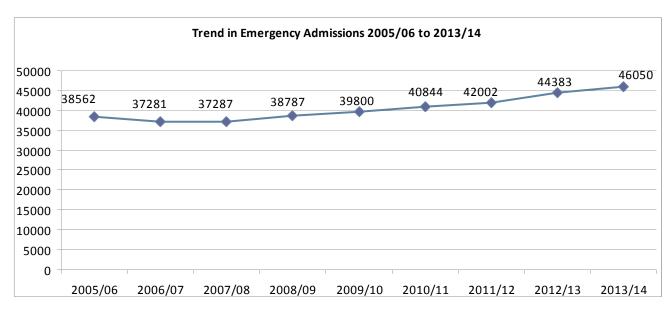
Table 4e	Consultant-Led Patient Activity by Speciality					
		Inpatient/Daycase		Outpatient		
Centre	Speciality	2012/13	2013/14	2012/13	2013/14	
Diagnostics	Chemical Pathology	0	0	627	675	
Emergency	A&E Outpatient & Spells	28	1,126	3,391	3,548	
	Audiological Medicine	0	0	2,641	2,481	
	ENT – Adult	2,604	2,971	19,429	20,072	
	ENT - Child	0	0	664	227	
	Maxillofacial Surgery	418	797	721	606	
Head &	Oral Surgery	900	771	9,262	9,218	
Neck	Orthodontics	0	0	8,483	7,759	
	Ophthalmology – Adult	3,211	3,207	43,474	41,457	
	Opthalmology – Child	4	1	5,608	6,863	
	Ophthalmology - Medical	2	4	22	3	
	Restorative Dentistry	0	0	528	614	
	Cardiology	2,012	2,359	12,876	16,777	
	Cardiothoracic Medicine		1	1,254	1,184	
	Dermatology - Adult	8	7	13,291	15,236	
	Dermatology – Child	8	2	208	154	
	Diabetic Medicine	1	11	4,179	4,828	
	Endocrinology	29	96	1,765	2,145	
Medicine	General Medicine inc Stroke	23,002	22,825	13,399	7,631	
	Geriatric Medicine	52	37	1,198	2,390	
	Nephrology	147	139	2,971	4,016	
	Neurology	326	401	7,718	7,829	
	Rehabilitation	122	106	1	0	
	Respiratory Medicine	282	510	6,555	8,077	
	Respiratory Physiology	0	1	11	33	
	Clinical Neurophysiology	0	0	254	0	
Musculo-	Pain Management	1,045	901	3,106	2,888	
skeletal	Rheumatology	0	0	865	1,109	
	Trauma and Orthopaedics	6,482	6,598	52,058	53,015	

	Breast Surgery	662	897	12,225	13,476
	Colorectal Surgery	225	998	7,034	7,562
	Gastroenterology	14,781	14,843	8,636	8,127
	General Surgery	8,838	8,569	7,609	3,463
	Hepatology/Hepatobiliary	1	3	292	1,231
Surgery,	Neurosurgery	0	0	166	162
Oncology &	Plastic Surgery	114	53	989	796
Haematology	Upper GI Surgery	431	714	2,395	3,378
	Urology	4,224	4,666	14,203	14,877
	Vascular Surgery	401	613	3,392	5,395
	Clinical Haematology	5,902	4,445	9,630	9,157
	Clinical Oncology	8,547	8,566	9,325	12,404
	Medical Oncology	361	227	5,823	2,714
Anaesthetics	Anaesthetics	0	0	290	290
	Gynaecology	4,204	4,176	14,112	13,863
	Gynae Oncology	8	9	5,055	5,905
Women and	Obstetrics / Maternity	6,649	6,518	12,077	12,564
Children	Neonatology		87		13
	Paediatrics	8,458	10,008	16,448	19,500
	Psychotherapy	0	0	76	81
Total		104,589	108,263	346,630	355,799

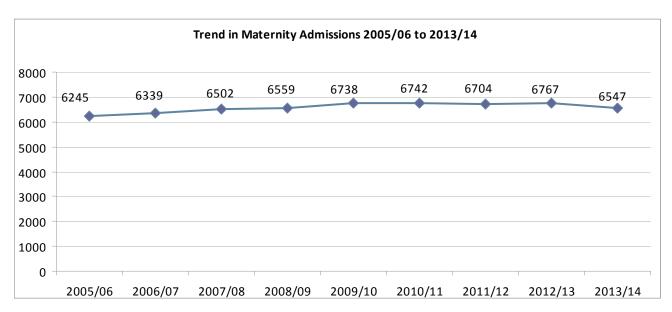
The graphs below show trends in activity from 2005/06 to 2013/14:



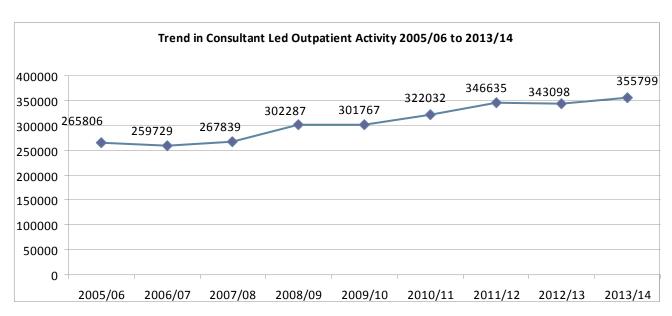
Elective and day case activity has shown a 4.6% increase in 2013/14 following two years of reduction from a peak of 57,934 in 2010/11.



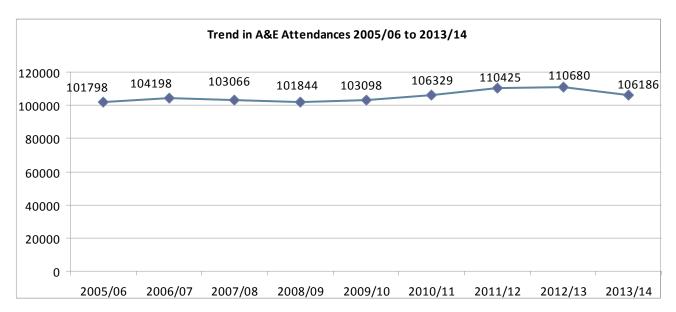
There has been a consistent rise in emergency admissions over the last seven years from 37,281 in 2006/07 to 46,050 in 2013/14, including a 3.8% increase from 2012/13 to 2013/14.



Maternity episodes have dipped slightly (3.3%) from their peak of 6,767 in 2012/13.



Apart from a small dip last year, there has been a general upward trend in consultant-led outpatient activity since 2006/07, including a 3.7% year-on-year increase from 2012/13 to 2013/14.



A&E attendance have reduced to 2010/11 levels from their all-time high in 2012/13. This reflects changes in admission pathway during 2013/14 with GP referrals admitted directly to the admissions units rather than via the Accident and Emergency Department, and the continued increase in emergency admissions demonstrate that the number of acutely ill patients arriving at hospital continues to increase.

As part of our commitment to openness, all NHS organisations include standard compliance statements relating to issues such as emergency preparedness, information governance, sustainability and complaints & principles of remedy. These statements are set out below.

Emergency Preparedness

The patients and communities that we serve quite rightly expect our Trust to be there when they need it, irrespective of the circumstances we face. We must therefore do all we can to be well prepared and able to respond to disruptive challenges and emergencies whenever they occur.

Our arrangements for Emergency Preparedness, Resilience & Response (EPRR) assist us in the management of disruptive challenges and emergencies and support continuity of safe, compassionate and effective services for our patients.

The Civil Contingencies Act 2004 (Contingency Planning) (Amendment) Regulations 2012 made changes to the way Civil Contingencies requirements are delivered. This resulted in NHS England producing a set of EPRR core standards for Trusts to be compliant with.

The Health and Social Care Act 2012 sets out a requirement for NHS Trusts to identify an Accountable Emergency Officer, and at The Shrewsbury and Telford Hospital NHS Trust this is the Chief Operating Officer.

In October 2013 the Trust was required by NHS England to submit a compliance statement set against the EPRR Core Standards to their Area Team, using a Red, Amber, and Green risk assessment process. Following the audit, the Chief Operating Officer as Accountable Officer brought areas of non-compliance to the attention of the Board along with an implementation plan, monitoring process and a training programme for delivery in 2014/15. Based on this the Trust Board approved the assessment of its current status of compliance against the core standards in November 2013.

Exercise, Training and Testing

The Trust has met its legal requirements for exercise, training and testing under the Civil Contingencies Act.

Four Exercise and Training sessions have been held with A&E staff with scenarios from previous Major Incidents across the country, focusing on the actions that would need to be taken by the Trust if the incident occurred here. In addition to this we have had two live business continuity issues to deal with during 2013/14, and two communication tests have been undertaken during the year.

Quality Standards

The Trust is committed to compliance with the British Standard NHS 25999/ ISO 22301 at the earliest opportunity and the use of the Publicly Available Specification (PAS) 2015: 2010. This is designed to bring together the different strands of resilience planning within the NHS to create a framework that supports the organisation's efforts to become more resilient.

Developing and maintaining working relationships

The Trust continues to work with the Shropshire and Staffordshire Area Team of NHS England, the Local Health Resilience Partnership (LHRP) and other responders within the local community to ensure continuity of robust EPRR.

Information Governance

The Shrewsbury and Telford Hospital NHS Trust complies with the Treasury's guidelines on setting charges for information. Details of possible charges for information requested under the Freedom of Information Act and the Data Protection Act is freely available on the Trust website. All charges are in line with Department of Health guidelines.

The Trust takes its responsibilities for protecting patient information seriously, and we expect high standards of information governance from our staff.

Tables 4f and 4g (overleaf) identify the incidents relating to person identifiable information which were reported in the Trust in 2013/14.

Table 4f	Summary of significant incidents involving person identifiable data reported to the Information Commissioner in 2013/14			
Item	Date	Nature of Incident	Nature of Data Involved	Notification Steps
1	April 2013	A letter folding machine was inadvertently set at '2' resulting in 2 letters being inserted into one envelope.	Demographic and appointment details (bulk data)	All patients identified were notified by letter
2	February 2014	A report for financial 'validation' purposes was sent to local CSU/CCG but the sender was not aware of 'non-disclosure' rules on sharing person-identifiable data with commissioners.	Patient demographic details (bulk data)	Under review at year end.

Notes to table: This table sets out significant incidents relating to personal data reported to the Information Commissioner in 2013/14, in accordance with guidance from the Department of Health (Gateway 9912). The Shrewsbury and Telford Hospital NHS Trust will continue to monitor and assess its information risks, in light of the events noted above, in order to identify and address any weaknesses and ensure continuous improvement of its systems and processes.

Table 4g	Summary of other incidents involving person identifiable data in 2013/14		
Category	Nature of Incident	Number	
I	Loss of inadequately protected electronic equipment devices or paper documents from secured NHS premises	0	
II	Loss of inadequately protected electronic equipment devices or paper documents from outside secured NHS premises	0	
III	Insecure disposal of inadequately protected electronic equipment, devices or paper documents	5	
IV	Unauthorised disclosure	32	
٧	Other	5	
Notes to table: This table sets out other incidents relating to personal data in 2012/13, in accordance with guidance from the			

Notes to table: This table sets out other incidents relating to personal data in 2012/13, in accordance with guidance from the Department of Health (Gateway 9912)

Sustainability

The Trust produces a Sustainability Report in accordance with guidance from the Department of Health's Sustainable Development Unit. This is included at Appendix 5 to this Annual Report.

Complaints and Principles of Remedy

The Parliamentary and Health Service Ombudsman has set out six Principles of Remedy that should be used by the NHS, namely: Getting it right; Being customer focused; Being open and accountable; Acting fairly and proportionately; Putting things right; and, Seeking continuous improvement.

The Trust has continued to take steps to incorporate the "Principles of Remedy" into its complaint handling. The Complaints Policy is presently under review in order to reflect changes in practice and process that we have introduced based on feedback from our patients and from our clinical services. This includes a greater emphasis on our clinical services undertaking investigations and providing learning outcomes, with our Patient Services team providing a central point of contact and co-ordination, to assess and handle each case individually, and provide quality assurance with the support of the Corporate Nursing team.

The Trust welcomes feedback from patients and relatives, whether in relation to good or bad experiences, about the care and services we provide. In doing so, this gives us the opportunity to identify areas for improvement that are important to our patients and to enhance patient safety.

Patients who wish to raise concerns about their care or seek information about any aspect of their care may contact the Patient Advice & Liaison Service team (PALS) for on the spot help and advice or alternatively, they can make a formal complaint. Feedback is also received via the Trust's website, as well as NHS Choices and is disseminated to the relevant department for action.

During the year the Trust has focussed on improving the way in which it responds to concerns and complaints made by patients and their families with the aim of being much more patient focused, responsive, open and transparent and ensuring that the feedback we receive is used to improve the quality of care and safety of our patients.

Complaint handling summary of activity for 2013/14

Overall, during the year the Trust has seen a downward trend in the number of formal complaints received. In previous years all concerns raised in writing or via the Trust's website were handled as a formal complaint, regardless of the content. Many of these issues related to appointment or admission problems that could easily be resolved by the early intervention of the PALS team. Since July 2013, all concerns are now assessed and where appropriate and with agreement with the complainant, these issues are handled by the PALS team, thereby ensuring a timely response. Overall, this has led to a sustained decrease in the number of formal complaints received by the Trust.

In 2013/14, the Trust received 444 formal complaints demonstrating a 34% decrease from the previous year (671 in 2012/13). Through changes we have made during the year the Trust has also seen a significant improvement in the time taken to respond to complaints.

Where a patient or relative remains dissatisfied following the Trust's response to their complaint, they may forward their complaint to the Parliamentary & Heath Service Ombudsman for review. On receipt, the Ombudsman will undertake an assessment and may take the following options:

- · Ask the Trust to take further steps to resolve the complaints
- Close the case without investigation
- Decide to investigate the case further

Of the 444 complaints received in 2013/14, five were referred to the Ombudsman, two of these were not upheld and the remaining three are still being reviewed.

Further information about complaints handling and enquiries to the Trust's Patient Advice and Liaison Service can be found in the Quality Account 2013/14 at Appendix 1. Detailed information about trends in complaints and actions take to respond to them can be found in the quarterly Complaints Reports presented to the Trust Board. These are available from the Trust Board section of our website at www.sath.nhs.uk.

5. Strategic Context

This is a changing and challenging strategic context for the NHS as we aim to meet growing demand, demographic changes and rising costs in the face of the changing legislation, changing markets and continued economic challenge.

Overview

All NHS services face the increasing challenge of rising demand and reducing funding. Our opportunities for addressing these challenges focus on transformational change and identifying new, sustainable ways of delivering services.

The local health community NHS Future Fit Programme was launched during the year and will include a comprehensive review of local hospital services. This programme will focus on acute and community hospital services in Shropshire and in Telford and Wrekin — reflecting that these services are used by patients and communities across Shropshire, Telford & Wrekin and mid Wales. The new emerging models of care will potentially reshape the acute and community service markets.

Commissioners' strategies recognise the need to shift care into the community and to address health conditions and social factors that increase the demands on healthcare. This presents an ideal opportunity to jointly develop service models that reflect the needs of our local population.

Local Context

Over 99% of services are provided to patients from Shropshire, Telford and Wrekin and Powys. Services are predominantly commissioned from thee commissioning bodies and are provided from two acute sites and multiple community locations in the county and across the border in Wales.

Within our catchment area 25% of the population live in villages, hamlets and isolated dwellings. The geography of rural areas brings particular challenges around providing services efficiently.

Key factors that have impacted on the Trust and our patients include:

- The impact of long-standing financial pressures that have limited investment in both buildings and equipment.
- Competition from other providers who are seeking to take activity and patients out of county, in an increasing plural market.
- Commissioning decisions to pursue commercial tendering processes that will divert activity from the acute sector but could also destabilise the remaining services.
- The increasing complexity of healthcare needs as a result of the changing age profile.
- Maintaining the safety and sustainability of split-site services during the NHS Future Fit review.
- Challenges with regard to recruitment and being able to attract staff into the county.

Key issues for the year ahead include developing and maintaining our relationships with new Clinical Commissioners and working in partnership to manage the risks arising from transition in the commissioning and strategic planning tiers of the NHS.

Political Context

There is a continuing focus on quality and safety of health care, with quality measures increasingly reflected in NHS contracting. The implications of the Francis Report which highlighted areas of concern continues to influence the government's expectations around assurance and the ability of Trusts to deliver and maintain delivery of quality services.

The Trust takes every effort to ensure that operational changes and service developments are continuously assessed through a robust Quality Impact Assessment process and our Quality Improvement Strategy sets out our long term commitment towards quality.

It should be acknowledged that the political environment locally and nationally may affect the NHS Future Fit programme to redesign clinical services for the population we serve.

The Trust faces issues associated with differing health policies and priorities between English and Welsh commissioning boards. The Trust has continued to work with Welsh commissioners and GPs to provide services for the population that live across the border in Powys.

Economic Context

While the global and national economy is showing signs of improvement, the NHS will still need to deliver the savings of £20bn over five years as set out in 2012/13, and the impact of this on the Shropshire and Telford & Wrekin Health Economy has been estimated to be in the region of £200m.

To deliver savings of this magnitude local commissioners and providers will need to work together to create new models of care and continue to drive efficiencies from within the services it delivers. This will need to sit alongside the clinically-driven NHS Future Fit programme which aims to ensure that emergency services – and wider acute and community hospital services - continue to be both safe and sustainable within the county. Creating a new model of care that meets future demand within available resources will be critical to the long term sustainability of local health care.

The NHS is seeing an unprecedented increase in the demand for services during a time when the country is facing significant economic challenges. 2013/14 has been a challenging year for the Trust and the requirement to meet the demand for services and the increasing costs of both staff and supplies has been

difficult. It is essential that we identify plans that enable us to deliver the services that our local population require whilst at the same time delivering our statutory financial duties.

Social Context

The Trust continues to face the increasing demands of an ageing population. The population in Shropshire and Powys is considerably older than the national average with 22% and 24% of the population over 65 respectively, compared with 17% nationally. The increased prevalence of long-term conditions puts significant pressure on our services. Although the population within Telford and Wrekin is younger, issues associated with the level of deprivation also increase the demand for services.

Other social factors including the rising rate of obesity and the increasing expectations of health services create additional pressures when planning and shaping future service delivery. It is important that we not only deliver high quality services in a timely manner but also that we increase access to our services. The social factors associated with both age and deprivation results in demands to deliver care closer to our patients, e.g. in community settings or their homes.

Technological Context

Technological advances will have a significant impact on the future design of healthcare within the economy as this will be a vital element of the FutureFit programme.

The development of technology will cover a number of areas:

- Management of long term conditions with technological systems monitoring an individual's condition, the development of near patient testing and the development of self help packages via improved communications.
- Sharing of information via an electronic highway will allow specialists to assess a patient's condition without the need to see the patient in person, and also to share

knowledge and information across various organisations involved in a patient's pathway to improve their safety and continuity of care.

This latter area has been affected by concerns about the national *care.data* programme, and these concerns must be addressed in a way that maintains the confidence of the public if the benefits for patient care are to be realised.

While the development of the technological infrastructure is likely to be expensive this could contribute to a reduction in the number of patients needing hospital admissions.

There are also technological advances in the treatment of certain conditions, and whilst there is often an upfront capital cost associated with these developments these become more affordable when the life time cost of care for each individual is considered.

Legislative Context

Changes in the organisational structure of the NHS in April 2013 have led to the establishment of new GP-led Clinical Commissioning Groups with associated impact on the how healthcare services have been commissioned. Locally, our two main commissioners are now Shropshire County CCG and Telford and Wrekin CCG.

These changes form part of much wider strategic and legislative changes that mean the Trust is now accountable to the Secretary of State via the NHS Trust Development Authority.

The Trust is committed to achieving the requirement for all Trusts to become

independent legal entities as NHS Foundation Trusts. However, the priority remains on quality and access and the Trust's progress to NHS Foundation Trust status will be achieved through consistent delivery of our wider priorities on behalf of patients and communities.

Environmental Context

Sustainability is a key theme for the NHS as it has become apparent locally, nationally, and globally that the way we live now is having a detrimental effect on the quality of our lives and the environment in which we live. Running our two hospitals uses natural resources and produces waste, which give rise to an environmental impact. As a Trust, we are keen to reduce our environmental impact and to contribute towards the achievement of sustainable development. The Trust has a Sustainability Policy and this forms the lynchpin of our efforts to improve our environmental performance.

The NHS Carbon Reduction Strategy requires all Trusts to reduce their carbon footprint. The government target expects a reduction of 10% by 2015 against our position in 2007. To achieve this reduction we will focus on reducing the use of natural resources that we use, including energy and water, and reducing emissions through efficiency measures and recycling. Our sustainable procurement policy also ensures that when purchasing goods and supplies we consider not only the need for them but also what the products are made of and where they come from. Sourcing goods locally reduces carbon emissions but also supports our local communities.

6. Finance and Risk Review

Finance Directors Report for the year ended 31 March 2014

Financial Overview

The Trust's turnover in 2013/14 was £314.1 million and we made a small surplus of £65,000.

The Trust was able to achieve the surplus position as a consequence of delivering efficiency savings in year amounting to £13.6 million and through the receipt of transitional funding support amounting to £4 million from the NHS Trust Development Authority. The Trust takes forward a recurrent deficit of £7.4 million into the 2014/15 financial year.

Liquidity remained a significant issue for the Trust, and in order to address a significant cash problem, the Trust requested temporary borrowing. The level of temporary borrowing requested amounted to £7.5 million which was repaid in full by March 2014. The Trust is working with the NHS Trust Development Authority to access a permanent funding solution. The 2014/15 cash plan has been constructed based upon an assumed income and expenditure deficit for the year of £8.2 million. There are particular challenges for the year ahead including the continued financial austerity across the country, the requirement from our commissioners to deliver significant efficiency savings, the transfer of funding through the Better Care Fund which will reduce the amount of overall funding available to hospitals linked to a country-wide expectation that investment will take place in the community to prevent the need for hospital admission and support timely transfer from hospital. Also, the continued additional costs faced by the Trust through duplication across two small hospital sites are not reflected within the "tariff" we receive through the national Payment By Results system and this reduces our ability to deliver the sort of efficiency savings that are needed to support that shift to community whilst also protecting the safety and sustainability of our hospital services.

Overall this means that the Trust is currently forecasting a deficit in each of the next three years (2014/15 to 2016/17) returning into in-year balance from 2017/18. This forecast relies on us managing the risks to our financial position whilst also seeking transitional support whilst the whole health system agrees a radical and affordable vision for the future with patients at its heart.

Expenditure

From our total budget:

- 66% (£208.3m) was spent on staff who provide health care (e.g. doctors, nurses, midwives, therapists, healthcare assistants, radiographers) or who provide essential support services (e.g. portering, catering, cleaning, technical and scientific staff, HR, payroll).
- 17% (£55.3m) was spent on drugs, dressings and other costs directly related to providing healthcare.
- 9% (£28.8m) was spent on essential supplies (e.g. uniforms, linen, food and transport), accommodation (e.g. electricity, gas, water, rates, furniture) and administrative & support services (e.g. postage, telephones, training).

The remainder (8%) covered other essential costs such as finance charges in the form of depreciation charges, impairments and public dividend capital charges and our contribution to the national Clinical Negligence Scheme for Trusts.

Income

The majority of our income 93% (£292m) was for clinical services, with the remainder 7% (£22.2m) for non-clinical services such as education.

84% of our £292m clinical income came directly from our three main "commissioners" who purchased services from us on behalf of local patients and communities. These were:

- Shropshire Clinical Commissioning Group (42% of our direct clinical income during 2013/14).
- Telford and Wrekin Clinical Commissioning Group (29% of our direct clinical income during 2013/14).
- NHS England Birmingham and Black County Area Team who are responsible for commissioning specialised services such as chemotherapy, neonatal and renal services (13% of our direct clinical income during 2013/14).

Of the remainder of our clinical income:

- 15% came from other direct contracts and service level agreements, including our Welsh commissioners.
- 1% came from "other clinical income" which consists of income from private patients, overseas visitors and the NHS Injury Cost Recovery Scheme.

Finance Report

The national priorities for the NHS were set out in "The mandate from the Government to the NHS Commissioning Board: April 2013 to March 2015". The national priorities remained as follows:

- Preventing people from dying prematurely.
- Enhancing quality of life for people with long term conditions.
- Helping people to recover from episodes of ill health or following injury.
- Ensuring that people have a positive experience of care.
- Treating and caring for people in a safe environment and protecting them from avoidable harm.

Our own Trust priorities for the year built on and localised this national framework. Examples of progress against these priorities can be found in Section 4.

Financial Duties

The Trust achieved the following financial duties:

- To achieve a break even position on the Statement of Comprehensive Income. An adjusted retained surplus of £0.065 million was recorded.
- To operate within the external financing limit which controls the level of external borrowing which the Trust may access. The Trust's target of £21.3 million was achieved with an actual external financing limit of £21.3 million.
- To operate within the capital resource limit, which controls the level of capital expenditure that may be incurred. The Trust's target of £29.7 million was achieved with an actual charge against the capital resource limit of £29.7 million.

The Trust has not achieved its statutory duty to break-even over a five year period and this has been reported by the Trust's Auditors to the Secretary of State for Health.

In line with NHS requirements the Trust reports its accounts in compliance with the NHS Trusts Manual for Accounts issued by the Department of Health. The accounting policies contained in that manual follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. For the year 2013/14 there have been no new accounting standards adopted by the Trust.

Capital Programme and the Trust Estate

The Board continued to invest in the development of the Trust's facilities. In 2013/14 the Trust invested £29.680 million in assets, of which £21.024 million was spent on Future Configuration of Hospital Services programme for which the Trust received Public Dividend Capital from the Department of Health.

Amongst the investments undertaken during the year from the Trust's Internally Generated Capital Fund were the following:

- £254k on patient monitoring equipment.
- £182k on pathology laboratory reconfiguration.
- £239k on ward reconfiguration and improvements at the Royal Shrewsbury Hospital.
- £257k on departmental reconfiguration and improvements at the Princess Royal Hospital.
- £661k on IT improvements primarily funded through the national IT technology fund.
- In addition to above the Trust invested significantly in enabling works relating to the Future Configuration of Hospital Services programme, including the new Shropshire Women and Children's Centre set to open at the Princess Royal Hospital in September 2014.

The sources of capital in the year were £8.450m from internally generated capital, £600k from the national IT Technology Fund and £20.630m Public Dividend Capital for the Future Configuration of Hospital Services programme.

Securing sufficient capital to support a programme of equipment replacement, maintenance and investment remains a significant challenge for the Trust, exacerbated by the challenges of duplication across two small acute hospital sites.

Managing Risks

The Trust's Risk Management Strategy is updated and approved each year by the Trust Board. The Strategy describes an integrated approach to ensure that all risks to the achievement of the Trust's objectives, are identified, evaluated, monitored, and managed appropriately. It defines how risks are linked to one or more of the Trust's strategic or operational objectives, and clearly defines the risk management structures, accountabilities, and responsibilities throughout the Trust.

Risk assessment is a key feature of all normal management processes. All areas of the Trust have an ongoing programme of risk assessments, which inform the local risk registers. Risks are evaluated using the Trust risk matrix which feeds into the decision making process about whether a risk is considered acceptable. Unacceptable risks require control measures and action plans to reduce them to an acceptable level. The risk registers are reviewed regularly and if a risk cannot be resolved at a local level, the risk can be escalated through the operational management structure to the Risk Committee or ultimately to the Trust Board. Each risk and related action has an identified owner who is responsible for monitoring and reporting on the risk to the appropriate committee(s) and for implementing changes to mitigate the risk in a specified timeframe

The Chief Executive chairs the Risk Committee, and the other Directors with delegated responsibility for risk management sit on this committee which is the Board sub-committee responsible for managing risk and reviewing the Board Assurance Framework (BAF).

The Board Assurance Framework enables the Board to undertake focused management of the principal risks to achievement of the organisations objectives. There is a schedule of associated action plans for each key risk which identifies the date and Committee of last presentation. Progress against mitigating these principal risks is proactively monitored and reported to Trust Board.

The Board Assurance Framework risks during the year were:

- If we do not deliver safe care then patients may suffer avoidable harm and poor clinical outcomes and experience. This risk has improved during the year with good clinical outcomes reported in the CQC Intelligent Monitoring report and reductions in pressure ulcers and complaints.
- If we do not implement our falls prevention strategy then patients may suffer serious injury. This risk has improved during the year with a statistically significant reduction in the number of patient falls.
- Risk to sustainability of clinical services due to potential shortages of key clinical staff. This risk was newly identified in March 2014 and is a significant issue for the Trust. The risk relates to risks of staffing gaps in key clinical areas for which the longer term plan is being developed through NHS Future Fit. One of the key drivers for NHS Future Fit is the difficulties in attracting staff to a split site service with onerous on-call commitments which, unless changes are made, is likely to struggle in future to meet key national standards and guidance.
- If we do not achieve safe and efficient patient flow and improve our processes and capacity and demand planning then we will fail the national quality and performance standards (significant issue). This risk has improved during the year, but remains an area of significant challenge for the Trust. In relation to the key national priorities, the Trust did not meet the access targets although performance improved over the year.
- If we do not have a clear clinical service vision then we may not deliver the best services to patients. A significant amount of work has taken place and a public consultation will take place in autumn 2015 led by the Commissioners.
- If we do not get good levels of staff engagement to get a culture of continuous improvement then staff morale and patient outcomes may not improve. The Trust values have been developed with staff and there was a high level of staff engagement with this work. The second annual leadership conference was well attended. There were a record number of nominations for staff awards and a number of initiatives are under way including the coaching scheme and the commissioning of an in-house management development programme.
- If we are unable to resolve our (historic) shortfall in liquidity & the structural imbalance in
 the Trust's Income & Expenditure position then we will not be able to fulfil our financial
 duties & address the modernisation of our ageing estate & equipment. Discussions have
 continued with the NHS Trust Development Authority regarding the Trust's historic liquidity balance
 sheet position are ongoing to enable the Trust to progress its Foundation Trust application.
- If Board members are not appointed in a timely fashion then this may impact on the governance of the Trust (resolved). With the appointment of the Medical Director, Chief Operating Officer, new Non-Executive Directors, and Chair in October, this risk has been resolved.

The Risk Committee is a quarterly committee with non-executive director membership and chaired by the Chief Executive. It is responsible for providing leadership for the co-ordination and prioritisation of clinical, non-clinical, and organisational risk, ensuring that all significant risks are properly considered and communicated to the Trust Board. The Committee provides assurance to the Trust Board that the systems for risk management and internal control are effective.

Further information can be found within the Annual Governance Statement which is included with the Annual Accounts in Appendix 7.

Supplementary Financial Information

Carrying valuation of land: As at 31 March 2014 the Trust's Directors confirm the carrying valuation of land is £26.693m and reflects the market valuation for existing use.

Treatment of pensions liabilities in the accounts: Past and present employees are covered by the provisions of the NHS Pensions Scheme. Details of the benefits payable under these provisions can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. The scheme is an unfunded, defined benefit scheme that covers NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS Body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period. The scheme is subject to a full actuarial valuation every four years with approximate assessments in intervening years. Further details of these valuations can be found within the Notes to the Accounts of the Trust's Annual Accounts for 2013/14.

External Constraints and Key Dependencies: During the year the Trust was governed by the Department of Health and its performance was monitored nationally by the NHS Trust Development Authority along with other NHS organisations nationally and locally (e.g. the Care Quality Commission). The Trust's ongoing activity is dependent upon continued referral of patients from local healthcare commissioners, the most significant of which are Shropshire County Clinical Commissioning Group and Telford & Wrekin Clinical Commissioning Group and Powys Teaching Health Board. In England, patient referral is also dependent on the choices made by patients following the introduction of patient choice across a growing range of health care services. At the start of the year the changes resulting from the Health and Social Care Act 2012 came into effect with the establishment of new Clinical Commissioning Groups and the abolition of Primary Care Trusts and Strategic Health Authorities.

Related Party Transactions: During the year, none of the Department of Health ministers, Trust Board members or members of the key management staff or other related parties undertook any material transactions with the Trust.

Better Payment Practice Code: The Better Payment Practice Code requires the Trust to aim to pay valid invoices by the due date or within 30 days of receipt of goods or valid invoice, whichever is later. In 2013/14 the Trust achieved 66% in the year for non NHS invoices and 71% for NHS invoices (by value). The Trust made minimal payments of interest to small businesses under The Late Payment of Commercial Debts (Interest) Act 1998.

Table 6a: Non-NHS Bills	Year Ended 31 Mar	ch 2014	Year Ended 31 Marc	ch 2013
Item	Number	£000	Number	£000
Total Trade Invoices Paid	88,688	119,794	91,154	110,477
Total Paid Within Target	37,251	78,739	54,877	74,531
% Paid Within Target	42%	66%	60%	67%

Table 6b: NHS Bills	Year Ended 31 Mare	ch 2014	Year Ended 31 March 2013	
Item	Number	£000	Number	£000
Total Trade Invoices Paid	2,380	11,302	2,494	15,878
Total Paid Within Target	1,550	8,014	1,736	10,866
% Paid Within Target	65%	71%	70%	68%

Prompt Payment Code: The Trust is an approved signatory of the Prompt Payment Code.

Severance payments: The Trust has not made any severance payments during the year.

External Auditors: The Trust's external auditors are appointed by the Trust Board. During the year the Trust's activities and accounts were audited by KPMG LLP, One Snowhill, Snow Hill, Queensway, Birmingham, B4 6GH. The baseline annual audit fee for the year was £112,600 (excluding VAT) and included the core audit work of the financial statements. In addition KPMG provided other non-audit services to the Trust at a cost during 2013/14 of £25,855 (excluding VAT) as summarised below:

Table 6c: External Auditors	Year Ended 31 March 2014
Item	£000
Audit Services	112.6
Further Assurance Services	0.0
Other Services	25.9

The Shrewsbury and Telford Hospital NHS Trust ensures that the auditor's independence has not been compromised through the provision of non-audit services by:

- Reviewing the ratio of audit to non-audit fees raised in the year with the Trust's external auditors;
- Ensuring that the audit and non-audit engagements are undertaken by separate teams; and,
- Ensuring that external audit declare any non-audit work at Audit Committee meetings.

Reporting related to the Review of Tax Arrangements of Public Sector Appointees

From 2012/13 Treasury has required public sector bodies to report arrangements whereby individuals are paid through their own companies (and so are responsible for their own tax and NI arrangements, not being classed as employees). The requirement remained in place for 2013/14, as well as a more detailed disclosure on the length of time these engagements have been in place.

The Trust is required to disclose:

- All off-payroll engagements as of 31 March 2014, of more than £220 per day and lasting longer than six months (see Table 6d below).
- All new off-payroll engagements between 1 April 2013 and 31 March 2014, for more than £220 per day and lasting longer than six months (see Table 6e below).

The Trust has strengthened its controls in this area during 2013/14 and does not have any cases where assurances have not been received or terminations have taken place as a result of assurances not being received.

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

Table 6d	For all off-payroll engagements as of 31 March 2014, for more than £220 per day and that last longer than six months:
	Number
Number of existing engagements as of 31 March 2014	1
Of which, the number that have existed:	
for less than one year at the time of reporting	-
for between one and two years at the time of reporting	1
for between 2 and 3 years at the time of reporting	-
for between 3 and 4 years at the time of reporting	-
for 4 or more years at the time of reporting	-

Table 6e	For all new off-payroll engagements between 1 April 2013 and 31 March 2014, for more than £220 per day and that last for longer than six months:
	Number
Number of new engagements between 1 April 2013 and 31 March 2014	0
Number of new engagements which include contractual clauses giving The Shrewsbury and Telford Hospital NHS Trust the right to request assurance in relation to income tax and National Insurance obligations	-
Number for whom assurance has been requested	-
Of which:	
assurance has been received	-
assurance has not been received	-
engagements terminated as a result of assurance not being received, or ended before assurance received.	-

7. Our Staff and Partners

We value our workforce and it drives our future success. As a Trust we spend 66% of our resources on pay and staffing and continue to focus on supporting and developing our workforce to deliver services for the future within the resources available to us.

Workforce Profile

In 2013/14 our actual staff employed increased by 74 to 5513. When taking into account those employed on part-time contracts, the full time equivalent (fte) number increased by 78 to 4644. Our substantive workforce at 31st March 2014 included approximately:

- 545fte doctors and dentists (11.7%), an increase of 8fte compared with 2012/13
- 1370fte nursing and midwifery staff (29.5%), an increase of 7fte
- 603fte scientific, technical and therapies staff (13.0%), an increase of 8fte
- 1202fte other clinical staff (25.9%), an increase of 27fte
- 924fte non-clinical staff (19.6%), an increase of 28fte

In addition to this the available workforce at year end included over 900 staff employed through the Trust's internal bank, in addition to staff working within the Trust via external agencies.

Expenditure on staff accounts for approximately 66% of expenditure, a slight decrease (0.8%) on the previous year. One of our key priorities this year will be to reduce our pay costs by reducing our reliance on Agency workers. We are in the process of introducing a number of initiatives to encourage people to work through our Temporary Staffing Bank which will not only reduce costs but improve efficiency and quality of care for patients.

There are currently approximately 950 volunteers active in the Trust and we work closely with our main charitable partners (including Leagues of Friends at our two main

hospitals, Royal Voluntary Service and the Lingen Davies Cancer Appeal).

Our workforce achievements in 2013/14

Over the last twelve months our key achievements have included:

- Developing our values and behaviour standards through staff and patient engagement.
- Holding our second annual leadership conference, with over 200 attendees.
- Developing and launching our People Strategy.
- Introducing values-based recruitment for Health Care Assistants, Registered Nurses, Phlebotomy and domestics.
- Supporting 166 individuals through an apprenticeship framework, the highest in the West Midlands.
- In partnership with the Prince's Trust, holding two 'get into' programmes providing work experience to local young people.
- Over 150 employees attended Colour of Change to support staff through change.
- Over 100 employees have achieved their work based learning qualification.

Our People Strategy

As an organisation we recognise the contribution of our people and the significant difference that all their roles make to our patients. This year we developed and launched our People Strategy which has a clear vision to make our organisation a great place to work. The Strategy has four strategic aims

 An engaged, enabled and empowered workforce who are well led and supported to realise their potential ensuring an excellent experience of our patients.

- Develop great leaders who put patients first and drive our organisation to achieve.
- Plan and develop a flexible workforce to meet the changing needs of our communities and the services we deliver.
- Attract, recruit and retain people who believe and live our values to ensure our patients receive the best care.

The foundation for our strategy is to embed our values throughout our employment life cycle, with one of our main priorities this year being the introduction of values based recruitment. Looking ahead we will embed our values into our induction and appraisal process.

One of our key priorities for 2013/14 has been to reduce our sickness absence levels. We have made considerable progress in reducing sickness absence from 4.45% in 2012/13 to 4.12% in 2013/14 but did not achieve our target of under 4%.

Performance against our targets for staff sickness absence is summarised below:

Table 7a Staff Sickness	Year Ended 31 March 2014
Sickness Absence %	4.12%
% Over Target Sickness of 3.99%	0.13%
Total FTE Calendar Days Lost (notes 1 and 2)	69,190
Average FTE Calendar Days Lost Per Employee	15
No. III Health Retirements (note 2)	4
No. Voluntary Resignation – Health	14

Note 1: Workforce sickness performance seeks to reflect the burden of sickness on our staff and organisation. It is calculated on the basis of calendar days (i.e. 365 days per calendar year or 366 days per leap year) and therefore includes non-working days. The Annual Accounts seek to reflect the direct cost of sickness to the organisation and use a nationally agreed formula to estimate the number of working days lost. The data in the table above are therefore based on a different definition from those in Table 10.3 to the Accounts.

Note 2: Figures in Table 10.3 relate to the calendar year 2012 whilst the figures above relate to the reporting year 2012/13.

Performance against our other workforce KPIs (turnover, training coverage and appraisal coverage) is summarised below.

Table 7b Workforce KPIs	Year Ended 31 March 2013	Target
Turnover %	7.8%	8%
Training Coverage %	58%	80%
Appraisal Coverage %	83%	80%

The Trust is experiencing day-to-day difficulties in medically staffing some key areas and whilst most gaps are covered this is becoming an increasing struggle and often relies on factors such as consultants "working down" to provide the full level of medical support needed within acute hospitals.

This was identified as a new risk in the Board Assurance Framework during the year, and these issues form part of the case for change for the NHS Future Fit programme. An independent review will be commissioned to provide assurance for the Trust Board. However there is a need to expedite staffing solutions in 2014 due to continuing challenges of providing some services across two sites. Other factors include the need to move towards seven day working providing earlier access to senior clinical decision makers. Full implementation of seven day working will need radical changes in the way that acute hospital services are provided for our communities and a transition plan will be needed in some areas ahead of the conclusions of NHS Future Fit.

Linked to this we need to make continued progress to reduce excess agency costs through improved workforce planning and a strengthened and more co-ordinated approach to recruitment.

Health and Wellbeing

The Health and Wellbeing of our staff is really important to us, and with support from NHS

Employers we developed a high impact plan. Our three overarching objectives are:

- We will support staff to assess and take responsibility for their own health throughout their employment with the Trust within a culture of respect and mutual care.
- We will embed staff health and wellbeing into the core business of the organisation, as part of what we understand it means to be a 'model employer'.
- We will proactively promote healthy options and provide prevention, intervention and rehabilitation to staff.

The focus of this plan is to be proactive in our support of Health and Wellbeing. Most notable for this year has been

- The development of a new policy -Managing Attendance and Wellbeing.
- Promoting the annual Flu Fighter campaign, and achieving 68% of frontline care workers being immunised, an increase of 23%.
- Promoting a calendar of monthly health promotion events, the aim being to increase awareness of available support, information on health issues and encouraging staff to take greater ownership of their own personal health and wellbeing.
- Dedicated resources employed to work with managers in key sickness absence hotspots, the aim being to promote health and wellbeing and reduce sickness absence.
- We have improved (reduced) our annual sickness performance by 0.3%.

The Trust has continued to develop its dedicated Health and Wellbeing section on the intranet called 'A Healthier You', and includes sections on why health and wellbeing is important, healthier lifestyles and wellbeing at work, as well as information on local exercise clubs and gyms.

The Health and Wellbeing Roadshows, which are run for the Trust's members of staff twice a year continue to be a popular way of accessing, health checks, weight plans, smoking and

alcohol cessation support whilst reminding staff of the various financial benefits offered through our partner organisations. There has also been increased support to areas with high sickness absence to try and identify issues and offer appropriate support to improve staff attendance, including Occupational Health clinics with managers.

Looking to the year ahead we plan to enhance our Occupational Health Services and support the education of our staff and managers with Health and Wellbeing.

Staff Engagement

As an organisation we are clear on the benefits high levels of Staff Engagement bring for our staff and patients. This year we have focused on ensuring our staff are involved with key developments. The development of our values being a great example, members of the executive team held a series of workshops with staff to develop our values the final values were then discussed and signed off by staff and patient representatives. Further workshops have then been held to agree behaviours for each value to support them becoming real.

This year has seen a lot of change for our staff most notably Therapies, Nursing and Women and Childrens staff as we prepare for the move to the Princess Royal Hospital in September. We have continued to run our 'colour of change' workshops for staff and leaders affected by change; which have proved very successful.

We work with our staff side colleagues to support the engagement of staff, along with a wide range of mechanisms including Chief Executive Briefing sessions, weekly updates from the Executive team and Newsletters.

Equality and Diversity

Policy in Relation to Disabled Employees

We recognise the value that all our staff add to the care of our patients. This includes employing a diverse workforce that represents the communities we serve. We have a framework of support in place to support this for those who are disabled. We encourage applications from all individuals based on the skills, knowledge and experience that they can contribute to the Trust. The effectiveness of our policy is monitored in a number of ways including; audit of equal opportunity monitoring forms and submitting an annual staff profile report to the Trust Board. Appendix 3 contains details of the staff diversity profile as at 31st March 2014.

Policy on Equal Opportunities

As an employer we are strongly committed to equality and diversity and understand the important role it plays in the communities we serves, both as an employer and a provider of healthcare services. The Equality & Diversity policy makes clear the Trust's commitment to preventing discrimination and promoting equality and diversity in both spheres of responsibility.

The Trust continues to be fully engaged with the process of implementing actions to support the delivery of its public sector Equality Duty using the Equality Delivery System (EDS) framework, a tool developed by the NHS to help support NHS organisations deliver against their statutory duty.

The EDS requires the Trust to provide an annual update of its current equalities performance against each of the four identified EDS goals, the outcomes of which have been identified as being:

- The safety of patients is prioritised and assured. In particular, patients are free from abuse, harassment, bullying, violence from other patients and staff, with redress being open and fair to all.
- Patients are informed and supported to be as involved as they wish to be in their diagnoses and decisions about their care, and to exercise choice about treatments and places of treatment.
- Staff are free from abuse, harassment, bullying, violence from both patients and their relatives and colleagues, with redress being open and fair to all.

- The workforce is supported to remain healthy, with a focus on addressing major health and lifestyle issues that affect individual staff and the wider population.
- Middle managers and other line managers support and motivate their staff to work in culturally competent ways within an environment free from discrimination.

The Trust is also represented on the local health economy EDS Steering Committee.

The Trust has again been awarded the disability 'Two Ticks' symbol, and actively seeks to promote the standards that this represents. We are monitored on an annual basis by the Employment Service to ensure we are compliant with all of the standards the symbol represents.

Approximately 80% of our workforce is female, and 11% are from ethnic minority backgrounds, compared to a local population figure of about 2%.

More information about the staff diversity profile is included in Appendix 3.

Pay and Conditions

The pay and conditions for our non-medical workforce are set out in the Agenda for Change terms and conditions of employment, and those of our medical staff are set out in the Consultant, Associate Specialist and Speciality Doctor terms and conditions of employment. As an aspirant Foundation Trust, we have limited scope for local pay and conditions.

In 2013/14 the Public Pay Review recommended a 1% pay increase for all NHS staff which was applied from 1 April 2013. This applied to non medical and medical staff.

During the year, a significant number of workforce policies have been updated to ensure that they are fit for purpose and comply with legislation and employment best practice:

 HR27 Parental Leave - This policy outlines the arrangements in place to support staff to care for a child.

- HR42 Relocation Assistance This policy sets out the Trust's approach to the payment of relocation and related expenses for key employees on recruitment or in circumstances where employees are required to move their principal residence as a result of a Trust-initiated change of work base.
- HR01 Equality & Diversity The purpose of this policy is to make clear the Trust's commitment to preventing discrimination and promoting equality and diversity in the belief that this will secure the maximum contribution from employees, it is in our employees' best interests, and that it will primarily benefit the community we exist to serve.
- HR03 Secondment This policy sets out the arrangements for staff who are temporarily seconded either within the Trust or to an external organisation for research or personal/professional development.
- HR09 Alcohol & Substance Misuse This
 policy outlines the processes in place for the
 management and support of staff affected
 by alcohol and substance misuse.
- HR29 Time off for Special Circumstances -This policy outlines the processes in place for staff who wish to request special leave for particular circumstances.
- HR05 Whistleblowing This policy has been written to take account of the Public Interest Disclosure Act ("PIDA"), and offers a framework of protection against victimisation or dismissal for workers who honestly raise genuine concerns about wrongdoing and malpractice in the workplace.
- HR31 Managing Attendance & Employee Wellbeing – This policy sets out the Trust's commitment to improve the health, wellbeing and attendance of all employees.
- HR19 Retirement This policy sets out the Trust's arrangements for retirement and flexible retirement options, and also covers

- the arrangements for recognition of long service upon retirement.
- HR43 Work Experience This policy sets out the Trust's commitment to providing work experience for young persons and adults and how we work in partnership with local Schools, Colleges and other organisations to provide work placements.
- HR46 Maintaining Personal Files and Electronic Staff Records – This policy sets out the standard for the maintenance of personal files and promotes good practice in the creation, maintenance and disposal of personal records.
- HR52 Standards of Business Conduct This
 policy sets out the Trust's approach to the
 implementation of the NHS Guidelines on
 Standards of Business Conduct for NHS
 Staff. It covers the standards of conduct
 expected of all Trust employees, particularly
 where their private interests may conflict
 with their public duties.
- HR54 Acting Up This policy sets out the Trust's approach to the temporary allocation of duties in order to cover the duties of another member of staff during times of extended absence from work - usually due to sickness, maternity or other extended leave, or as a result of a vacancy.
- HR13 Reimbursement of Travel, Accommodation and Subsistence Expenses –This policy sets out the details regarding the reimbursement of additional costs incurred by staff when travelling on Trust business, and away from their normal place of work.
- HR58 Anti-Bribery & Fraud Policy This policy establishes sets out the Trust's framework to prevent bribery, fraud and corruption and ensure compliance with relevant legislation, including the Bribery Act 2010 and the Fraud Act 2006.

Fraud and Corruption

Following an audit undertaken by our internal auditors our Anti-Bribery and Fraud Policy and

Standards of Business Conduct Policy have been updated to ensure they are robust and provide clear guidance for staff on the standards of behaviour and conduct expected and the consequences of failure to comply.

Public Interest Disclosures

During 2013/14 there was one public interest disclosure, which related to Health and Safety.

Learning and Development

During 2013/14, we have continued to focus on the education and training of staff to ensure that they have the clinical, professional and leadership skills to provide safe and effective services to our patients. We have achieved this in partnership with a range of Higher and Further Educational institutions, particularly Keele, Staffordshire and Warwick Universities and Telford College of Arts and Technology (TCAT).

As a teaching hospital, and under the leadership of Hospital Dean, Dr John Jones, the Trust provides teaching and clinical placements for students engaged on the Keele University MBChB accredited by the General Medical Council. During 2013/14, we provided accredited teaching and placements for around 90 medical students on years 4 and 5 and host Keele University interim and final Observed Structured Clinical Examinations (OSCEs) each year with a number of our patients electing to take part in this vital education. We continue to attract final year student applications for our Foundation Doctor positions, thereby providing a level of continuity and a high quality service to our patients.

At Postgraduate Level, the Trust provided over 80 Foundation Doctor positions in conjunction with the West Midlands Deanery. An essential part of clinical development, these training positions combine a comprehensive education programme with practical skills enhancement to recently qualified doctors. The Trust also supports Core Medical and Dental Training positions at all levels, as well as providing placement and administrative support for the Vocational Training Scheme for GPs across

Shropshire. Approximately 240 doctors in training were supported by the Trust in total during 2013/14.

The Trust worked in partnership with Staffordshire University to provide practical placements for nursing students in both hospitals, with qualified Trust nursing staff acting as mentors to these nurses in training. In conjunction with other Higher Education Partners, over 6,000 training weeks were provided for trainee healthcare providers in SaTH in 2013/14. For existing nursing staff, a mandatory Essentials of Care programme has focused on the delivery of compassionate, safe and effective nursing care to our patients.

We continue to underpinning all our learning programmes and partnerships with the provision of knowledge and library services that support the delivery of an evidence-based service to our patients.

Recognising the importance of having skilled staff at all levels of the organisation, the Trust invested in the vocational development of staff in Agenda for Change Bands 1-4. As a result of Government changes to the funding arrangements for these awards, fewer staff were able to access funded places during 2013/14, with a total of 82 staff completing Award programmes (such as Apprenticeships, including Healthcare Assistants, Porters and Domestic and Catering Staff) as compared to 160 during the previous 12 months. However, further changes have been made and numbers are expected to increase during 2014/15. We continue to work with The Prince's Trust saw to support young people to complete programmes of work experience and support with the Trust as part of our agenda for supporting people into work.

The Trust invested in high quality programmes of Leadership Development for staff at all levels of the organisation and in 2013/14 a further 50 staff completed programmes of study in partnership with Warwick Business School, Staffordshire University and TCAT. This added to the 180 staff that have already completed Leadership Development programmes. We

also held our second Leadership Conference held in October 2013 featuring nationally renowned speakers that attracted over 200 staff at all levels of the organisation. Our new Trust Values were launched at this event. In addition, during 2013/14, the Trust's coaching programme was further expanded during 2013/14 with over 80 staff accessing support from 23 accredited coaches. To date over 200 people managers have accessed coaching support.

During 2013/14, the Trust provided an extensive programme of training and support to all staff including statutory and mandatory training, clinical skills development and personal and professional skills development and over 80% of staff accessed learning opportunities during this period.

Priorities for 2014/15 will include:

- Delivering Leadership development programme to all Trust leaders.
- Embedding the Trust's Values in all our learning programmes and appraisal process, including values based interviewing, induction and management development.
- Ensuring that all staff meet fundamental training requirements.
- Supporting the Care Groups to manage their staff effectively.
- Supporting staff to carry out their roles well in changing circumstances.
- Delivering high quality education to staff and students within resource constraints.

8. Our Organisational Structure

The Shrewsbury and Telford Hospital NHS Trust is an NHS Trust established in accordance with the National Health Service Act 2006 and related legislation. It is led by a Board of Directors responsible for all aspects of the Trust's performance including high standards of clinical and corporate governance.

The members of the Trust Board at year end are outlined below, including a summary of their experience, registered interests and terms of office.

Members of the Trust Board: Chair and Non-Executive Directors

Professor Peter Latchford OBE, Chair

Peter has been Chair, Chief Executive and troubleshooter for a variety of public service organisations, in health, housing, regeneration, community cohesion, enterprise, infrastructure, local authority, museums, skills, business support, and crime. He is Director of Black Radley Ltd which provides specialist consultancy services in enterprise development, governance and strategic planning. He is also Visiting Professor of Enterprise at Birmingham City University and Trustee of the LankellyChase Foundation. He was awarded an OBE for services to business and the community in the New Years Honours of 2012.

- Term: November 2013 to October 2017 (first term)
- Political activity: None.
- Director and Shareholder in Spark UK Ltd, Director of Black Radley Ltd, Director of Black Radley Culture Ltd, Director of Black Radley Systems Ltd, Director of Black Radley Insight Ltd, Director of Sophie Coker Ltd, Trustee of the LanekellyChase Foundation, Visiting Professor at Birmingham City University

Mr Harmesh Darbhanga, Non-Executive Director

Harmesh graduated with an honours degree in Economics from the University of Wolverhampton. He has worked in a variety of senior roles in local government and has over 25 years experience in accountancy and audit having worked both in the public and private sector. He is currently a local government Finance Manager for Projects where his main responsibilities are for the Medium Term Financial Strategy, Financial Appraisals and providing analytical and accounting support on key projects. Harmesh has extensive board level experience having previously served as an Independent Board Member of Severnside Housing and more recently as Non-Executive Director and Locality Support Member at Shropshire County Primary Care Trust. He is currently a Director of the Priory School which is an Academy Trust.

- Term: September 2013 to September 2017 (first term)
- Political activity: None
- Director of the Priory School which is an Academy Trust.
- Interests expiring during the year: Trustee of Shropshire Rural Community Council

Dr Robin Hooper, Non-Executive Director

Dr Robin Hooper is a qualified solicitor and chartered secretary with over 30 years experience in the public sector, including over 20 years at Director or Chief Executive level in local authorities. This included eight years as Chief Executive of Shrewsbury and Atcham Borough Council. Dr Hooper is a fellow of the Institute of Secretaries and Administrators. He has a masters degree in European and employment law and a doctorate in business administration. He has worked as a Director of a national law firm and been part of a team on turnaround assignments in the public sector as well as having successfully held non-executive director roles within the private sector.

- Term: November 2012 to October 2016 (first term)
- Political activity: None.
- Director of Carlisle College, Director of Planning Group Limited, Chief Executive of Eden District Council, Director of Verity House Limited. Director of Shrewsbury Draper Limited. Director of Enterprise Prospects Limited, Director of Global Enterprise Solutions Limited, Director of Hooper Burrowes Legal, Director of Sports Booker Limited, Director of Acton Mill Care Farm Limited, Director of Oak Street Properties Limited
- Interests expiring during the year: Director of Holy Cross Limited

Mr Dennis Jones, Non-Executive Director

Dennis is a former qualified accountant (CIPFA) and has over 20 years experience in senior level financial and corporate services management. He was deputy corporate director for education at Shropshire County Council, where his responsibilities included strategic financial planning and management, and subsequently Director of Finance and Administration for the General Teaching Council for England, where he had responsibility for financial and corporate services including establishing and leading on audit, internal

control and risk management. In March 2008, Dennis retired from this post having joined the Trust as non-executive director in December 2007. In addition, he had director responsibility for the delivery of two major public services in Shropshire, has developed and managed performance management systems and undertook a lead role in establishing a new public sector organisation, including a period where he acted as interim Chief Executive.

- Term: December 2011 to November 2015 (second term)
- Political activity: NoneNo interests to declare

Mrs Donna Leeding, Non-Executive Director

Donna Leeding has spent the last 22 years working in various divisions within BT where she has gained board-level experience of leading major change programmes in customer service, employee engagement and cost transformation. She has specialised in projects that span BT's divisions from rolling out broadband to all rural areas, to leading the strategy and implementation of BT's climate change strategy and recently focusing on driving and embedding LEAN principles in service delivery. In 2009 Donna was awarded the IVCA award for "Career in Industry" for her contribution to the innovative communications and engagement programmes for climate change and broadband. Donna also has extensive experience from a previous role as a Non-Executive Director for a national children's charity.

- Term: September 2013 to September 2017 (first term)
- Political activity: None
- · No interests to declare

Dr Simon Walford, Non-Executive Director

Dr Simon Walford, of Bridgnorth, was a consultant physician in the NHS for over 20 years and the medical director at the Royal Wolverhampton Hospitals NHS Trust. He worked for several years as a senior medical advisor in the Department of Health focusing on transforming emergency care and was a clinical advisor to the Care Quality Commission. He left the NHS in 2007 to work in independent practice as a clinical management consultant. He holds a number of non-executive roles in not-for-profit organisations.

- Term: October 2010 to September 2014 (first term)
- · Political activity: None
- Trustee of Wolverhampton Grammar School, Governor of University of Wolverhampton, Director of Wolverhampton Academies Trust, In receipt of an NHS Pension

Additionally, Mr Brian Newman joined as Non-Executive Director shortly after year end on April 2014.

Members of the Trust Board: Chief Executive and Executive Directors

Mr Peter Herring, Chief Executive

Peter Herring was previously Chief Executive of the Countess of Chester Hospital NHS Foundation Trust from May 2000 to September 2012. He started his career in local government and qualified as an accountant before moving to the NHS in 1980. Peter has held a number of senior posts including Deputy Regional Treasurer at Mersey Regional Health Authority, District Treasurer and Deputy General Manager of St. Helens & Knowsley Health Authority, and Director of Finance and General Manager of St. Helens & Knowsley Hospitals Trust. Prior to moving to the Countess of Chester Hospital, he was Chief Executive of Liverpool Women's Hospital for six years. Peter served for nine years as a Territorial Army Infantry Officer in the Mercian and Cheshire Regiments and was Honorary Colonel to 208 Field Hospital (Liverpool) from 2002 to 2007.

- Appointed: September 2012
- Member of the Board of the NHS Foundation Trust Network

Mrs Sarah Bloomfield, Acting Director of Nursing and Quality

Sarah joined The Shrewsbury and Telford Hospital NHS Trust in November 2011, in the role of Deputy Chief Nurse. She became Acting Director of Nursing and Quality in September 2013, before being appointed to the substantive post in April 2014.

- Seconded as Acting Director of Nursing and Quality in September 2013 and appointed as substantive Director of Nursing and Quality in April 2014.
- No interests to declare

Dr Edwin Borman, Medical Director

Dr Edwin Borman joined the Trust as Medical Director in April 2013. Prior to this, he was Clinical Director for Anaesthetic, Critical Care and Pain Services at University Hospitals of Coventry and Warwickshire NHS Trust. Throughout his career Edwin has taken a keen interest in the standards of medical practice, education, ethics, equality and diversity, representation and leadership. This has included chairing the BMA's Junior Doctors Committee and its International Committee, serving for over twenty years as a BMA Council member and for fourteen years as a GMC Council member. He currently also plays a key international role as Secretary General of the European Union of Medical Specialists (UEMS) where he has a specialist interest in continuing medical education and its accreditation. Edwin has been a consultant anaesthetist since 1997 and also works in this clinical capacity providing care for our patients.

Appointed April 2013

 Secretary General of the European Union of Medical Specialists, Ordinary Shareholder of F&C Asset Management

Debbie Kadum, Chief Operating Officer

After training as a nurse Debbie completed her orthopaedic nursing certificate and joined RJAH in 1986. She held a series of nursing roles including seven years as a ward sister before moving into clinical and senior management roles. This included two years as clinical coordinator for the Midlands Centre for Spinal Injuries, a stint as Acting Executive Nurse and most recently over two years as Deputy Director of Operations. In 2005 Debbie moved to Chester as Divisional Manager for Diagnostic, Therapy and Pharmacy Services, later becoming Divisional Manager for Medicine before her appointment as Divisional Director for Urgent Care in 2010. Debbie joined SaTH as Chief Operating Officer in December 2012. Debbie has lived in Shropshire for over 26 years, and is married with two children.

- Appointed December 2012
- · No interests to declare

Mr Neil Nisbet, Finance Director

Neil joined the Trust in April 2011, having previously been a Finance Director for twelve years and most recently Director of Organisational Resources and Director of Finance at Wolverhampton City PCT.

- Appointed April 2011
- Trustee of Wolverhampton Citizens Advice Bureau

Other individuals who were members of the Trust Board during the year:

Mr Martin Beardwell, Non-Executive Director and Acting Chair

- Political activity: Martin was elected to Shropshire County Council as a Liberal Democrat Councillor for Quarry division in 1993. He became a senior politician and was Leader of the Council in 1999. He did not seek re-election in 2005.
- No interests to declare

Vicky Morris, Chief Nurse to September 2013

No interests to declare.

Dr Peter Vernon, Non-Executive Director to September 2013

- Political activity: None
- Managing Director of Alberi Limited, Director of H10 Limited, Related to the Head of Facilities

Information about the interests and backgrounds of other members of the Executive Management Team who attend the Trust Board in a non-voting capacity can be found in the Trust Board section of the Trust website at www.sath.nhs.uk

Board Meetings

The Trust Board met 11 times during the year in addition to the Annual General Meeting in September. Meetings of the Trust Board are held in public. Board papers are published on the Trust website. The table below summarises attendance by the voting members of the Trust Board.

Table 8a Trust Board Attendance	Year Ended 31 March 2014
Name and Title	Attendance
Peter Latchford Chairman	4 of 4 From November 2013
Martin Beardwell Non-Executive Director (Acting Chair)	8 of 8 To October 2013
Harmesh Darbhanga Non-Executive Director	5 of 6 From September 2013
Dr Robin Hooper Non-Executive Director	8 of 12
Dennis Jones Non-Executive Director	10 of 12
Donna Leeding Non-Executive Director	5 of 6 From September 2013
Dr Peter Vernon Non-Executive Director	3 of 6 To September 2013
Dr Simon Walford Non-Executive Director	12 of 12
Peter Herring Chief Executive	11 of 12
Sarah Bloomfield Acting Director of Nursing & Quality	7 of 7 From September 2013
Dr Edwin Borman Medical Director	11 of 12
Debbie Kadum Chief Operating Officer	11 of 12
Vicky Morris Chief Nurse	5 of 5 To September 2013
Neil Nisbet Finance Director	12 of 12

The Board received reports from the five committees chaired by the non-executive directors: Audit Committee, Finance Committee, Charitable Funds Committee (merged with Finance Committee during the year), Quality and Safety Committee, and Remuneration Committee. In addition the Trust Board received reports from the three

committees chaired by executive directors – Hospital Executive Committee (chaired by the Chief Executive), Workforce Committee (chaired by the Workforce Director), and Risk Committee (chaired by the Chief Executive) – and regular reports on finance, performance, quality and risk. These reports ensure that the Trust Board can reach informed and considered decisions and ensure the Trust meets its objectives.

Audit Committee

The Audit Committee exists to ensure that the Trust's activities and financial systems comply with relevant guidance and codes of conduct and to provide assurance that risk management and internal control are effective. The audit committee met regularly throughout the year. Chaired by non-executive director Dennis Jones the committee comprises three non-executive directors (including the committee chair). Committee meetings are attended regularly by the internal and external auditors, finance director, director of corporate governance and head of assurance. Other executive directors attend by invitation. The committee met on six occasions during the year. This included one special meeting to review the annual accounts.

Table 8b Audit Committee	Year Ended 31 March 2014
Name and Title	Attendance
Dr Robin Hooper (Chair) Non-Executive Director	6 of 6
Dr Simon Walford Non-Executive Director	6 of 6

More information about the Trust's external auditors can be found in Section 6.

Remuneration Committee

The Remuneration Committee sets and implements policy for the remuneration of executive directors (and other senior designated staff) and considers the performance of the executive directors. It is chaired by the Trust Chair and comprises all other non-executive directors. The chief executive and the workforce director attend by invitation.

The Remuneration Committee has developed an annual business cycle to ensure a planned approach is achieved.

The Committee's focus remains the contribution of the executive team to organisational performance. Within its planning the Committee will also consider the national landscape regarding pay and ensure appropriate action if required.

The Committee met on four occasions in 2013/14 (27 June 2013, 26 September 2013, 28 November 2013, 30 January 2014).

Table 8c Remuneration Committee	Year Ended 31 March 2014	
Name and Title	Attendance	
Professor Peter Latchford Chair	1 of 2 From November 2013	
Martin Beardwell Non-Executive Director (Acting Chair)	2 of 2	
Harmesh Darbhanga Non-Executive Director	2 of 3 From September 2013	
Dennis Jones Non-Executive Director	4 of 4	
Donna Leeding Non-Executive Director	2 of 3 From September 2013	
Dr Peter Vernon Non-Executive Director	1 of 2 To September 2013	
Dr Simon Walford Non-Executive Director	4 of 4	
Attendees		
Peter Herring Chief Executive	1 of 1	
Victoria Maher Workforce Director	4 of 4	

Other Board Committees

The tables below set out the voting attendance at the other committees of the Trust Board during the year.

Table 8d: Charitable Funds Committee	Year Ended 31 March 2014
Name and Title	Attendance
Martin Beardwell (Chair) Non-Executive Director	2 of 2
Dr Robin Hooper Non-Executive Director	2 of 2
Neil Nisbet Finance Director	1 of 2

During the year the governance arrangements of the Trust were streamlined, with the responsibilities of the Charitable Funds Committee being adopted by the Finance Committee.

Table 8e Finance Committee	Year Ended 31 March 2014	
Name and Title	Attendance	
Dennis Jones (Chair Non-Executive Director	9 of 10	
Dr Simon Walford Non-Executive Director	3 of 5 To October 2013	
Harmesh Darbhanga Non-Executive Director	6 of 6 From September 2013	

Neil Nisbet	7 of 10	
Finance Director	(Others attended by Deputy)	
Debbie Kadum	2 of 3	
Chief Operating Officer	To June 2013	
Debbie Vogler Director of Business & Enterprise	1 of 3 To June 2013	
Victoria Maher	2 of 3	
Workforce Director	To June 2013	

Table 8f: Quality and Safety Committee	Year Ended 31 March 2014	
Name and Title	Attendance	
Dr Simon Walford (Chair from September 2013 Non-Executive Director	8 of 9	
Dr Peter Vernon (Chair to September 2013) Non-Executive Director	3 of 3 To September 2013	
Donna Leeding Non-Executive Director	2 of 5 From November 2013	
Sarah Bloomfield Acting Director of Nursing & Quality	5 of 6 From September 2013	
Vicky Morris Chief Nurse	2 of 3 To September 2013	
Dr Edwin Borman Medical Director	6 of 9	
Muriel Fellows Patient Representative	4 of 5 From November 2013	

Table 8g: Risk Committee	Year Ended 31 March 2014	
Name and Title	Attendance	
Peter Herring (Chair) Chief Executive	4 of 4	
Dr Peter Vernon Non-Executive Director	1 of 1 To September 2013	
Dr Robin Hooper Non-Executive Director	2 of 3 From September 2013	
Debbie Kadum Chief Operating Officer	2 of 4	
Sarah Bloomfield Acting Director of Nursing and Quality	1 of 2 From September 2013	
Vicky Morris Chief Nurse	1 of 2 To September 2013	
Dr Edwin Borman Medical Director	3 of 4	

Table 8h Workforce Committee	Year Ended 31 March 2014	
Name and Title	Attendance	
Victoria Maher, Workforce Director (Chair)	4 of 4	
Martin Beardwell Non-Executive Director	3 of 3 To October 2013	
Sarah Bloomfield Acting Director of Nursing and Quality	1 of 1 From September 2013	
Dennis Jones Non-Executive Director	1 of 1 January 2014 only	
Debbie Kadum Chief Operating Officer	1 of 1 From September 2013	
Donna Leeding Non-Executive Director	0 of 1 From September 2013	
Vicky Morris Chief Nurse	2 of 3 To September 2013	
Adrian Osborne Communications Director	3 of 4	
Jill Price Deputy Finance Director	4 of 4	

Hospital Executive Committee

The Hospital Executive Committee is responsible for the day-to-day running of the Trust, its operational policies and performance. The primary purpose of the Committee is to ensure, on behalf of the Board, a high performing organisation with an effective and coherent strategy that Puts Patients First and that is owned and delivered throughout the organisation.

It has delegated powers to:

- Inform and implement the Trust's strategy and policy.
- Advise and inform the Chief Executive as Accountable Officer and other senior decision makers in the exercise of their delegated roles and responsibilities, and
- Recommend and oversee delivery of the Trust's Operating Plan and other duties as delegated by the Trust Board.

The Committee is required to adhere to the Standing Orders of the Trust.

The Hospital Executive Committee comprises the Trust's senior clinical and corporate leaders, and the members of the Hospital Executive Committee at the end of the year 2013/14 were as follows:

Care Group Directors

 Mr Mark Cheetham, Care Group Medical Director for Scheduled Care and Consultant General and Colorectal Surgeon

- Dr Kevin Eardley, Care Group Medical Director for Unscheduled Care and Consultant Renal Physician
- Dr David Hinwood, Care Group Medical Director for Diagnostics (job share) and Consultant Radiologist
- Dianne Lloyd, Care Group Director for Therapies and occupational therapist
- Prof Archie Malcolm, Care Group Medical Director for Diagnostics (job share) and Consultant Histopathologist
- Bruce McElroy, Care Group Director for Pharmacy and pharmacist
- Cathy Smith, Care Group Director for Women and Children's Services
- Mr Andrew Tapp, Care Group Medical Director for Women and Children's Services and Consultant Obstetrician and Gynaecologist

Chief Executive and Executive Directors

- Peter Herring, Chief Executive (Chair)
- Sarah Bloomfield, Acting Director of Quality and Safety
- Dr Edwin Borman, Medical Director and Consultant Anaesthetist
- Julia Clarke, Director of Corporate Governance (Company Secretary)
- Debbie Kadum, Chief Operating Officer
- · Victoria Maher, Workforce Director
- Neil Nisbet, Finance Director
- Adrian Osborne, Communications Director
- Debbie Vogler, Director of Business and Enterprise

Other Senior Managers

- Sara Biffen, Assistant Chief Operating Officer (Scheduled Care)
- Ian Donnelly, Assistant Chief Operating Officer (Unscheduled Care)
- Chris Needham, Director of Estates and Facilities

Other Members

 Dr John Jones, Undergraduate Dean and Consultant Gastroenterologist

Audit Declaration

Each director confirms that as far as he/she is aware there is no relevant audit information of which the Trust's auditors are unaware and he/she has taken all the steps that he/she ought to have taken as a director to make him/herself aware of any relevant audit information and to

establish that the Trust's auditors are aware of that information.

Register of Interests

The Trust holds a register of interests of the members of the Trust Board. Directors are asked to declare any interests that are relevant or material on appointment and should a conflict arise during their term. The register of interests, which is updated and published annually, is maintained by the Board Secretary and available to the public via our website at www.sath.nhs.uk within the papers of the Trust Board meeting. A copy can be obtained from the Trust or viewed by appointment. The declarations of interests of the members of the Trust Board during the year are included above.

Performance, evaluation, balance, completeness and appropriateness of the Board

The Board comprised 11 members at year end (increasing to 12 members in April 2014), which is appropriate for the size of the organisation. The Trust appointed a new Chair in November 2013. The Board includes the Chief Executive, four voting directors, one non-voting director (Company Secretary) and seven Non-executive Directors (including the Chair). A Senior Non-executive Director was appointed in August 2012. The non-voting Director of Corporate Governance is appropriately qualified to act as Company Secretary.

The balance of the Board meets the minimum requirement for 50% of the Board to be Non-executive Directors. Voting rights are set out in the Board Terms of Reference. The Trust has recently appointed to a Non-executive Director vacancy to complete the complement of non-executive members. Interviews took place shortly after year-end in April 2014 to the role of Director of Nursing & Quality which had previously been filled on an acting basis.

Board members have experience in public, NHS and local authority, private and voluntary sectors. All Non-Executive Directors have previous Board experience: one has recent financial management experience and another is a senior clinical consultant. The Chief Executive and Finance Director have previous Board-level experience. The Chief Executive was previously Chief Executive at a successful first wave Foundation Trust. The Chair has extensive public sector experience.

A self assessment of Board performance is completed annually and was last completed in March 2013, whilst an independent formal evaluation was last completed in 2011. There has been an independent governance review in 2012. The Trust Chair plans to review the approach and frequency for future assessments now that the full Board is in place.

The Trust continues to progress the Board Development programme and has set protected time after Trust Board

meetings. A five year schedule has been developed, led by the Trust Chair.

A revised Committee structure was approved by the Trust Board in November 2013 after further development to the recommendations made by the Trust's Internal Auditors (Deloitte) in 2012/13. Assessment of this structure will form part of a future independent performance review of the Board and its Committees.

Trust membership

The Trust has continued to develop our membership as well as engaging and promoting opportunities for our staff and public members to become involved with our organisation. The Trust continues to strive for a representative, engaged and active membership of local people and staff that is reflective of our local communities.

The combined at 31 March 2014 was 14,862, including 9,223 public membership and 5,639 staff membership. A breakdown of membership figures and changes in membership during the year is provided in Appendix 4.

Public membership

Our public constituency reflects our main catchment of Shropshire County (divided into three sub-constituencies: Central Shropshire, North Shropshire and South Shropshire), Telford and Wrekin and Powys County Council (the Powys sub constituency covers Montgomeryshire and three wards in north east Radnorshire).

Public membership is open to individuals over 14 years old who live within one of our five constituency areas of Central Shropshire, North Shropshire, South Shropshire, Powys or Telford and Wrekin. These areas cover over 99% of the Trust activity. Individuals can become a public member if they are not eligible to become a member of the staff constituency (see below) and they live within the geographical constituency boundaries.

During 2012/13 we consulted with stakeholders as part of a review of the geographical

boundaries for public membership. As a result, we have added a further twelve wards to our sub-constituencies to encompass those wards neighbouring our North Shropshire, South Shropshire and Telford & Wrekin sub-constituencies:

- 5 wards neighbouring the North Shropshire sub-constituency
- 6 wards neighbouring the South Shropshire sub-constituency
- 1 ward neighbouring the Telford and Wrekin sub-constituency

Staff membership

Staff are eligible for membership if they are employed by the Trust under a contract of employment which has no fixed term or has a fixed term of at least 12 months, or they have been continuously employed by the Trust for at least 12 months.

Staff membership is divided in to 5 classes of staff membership, these are:

- Registered medical practitioners and dentists
- Registered nurses and midwives
- Other registered health professionals
- Healthcare support staff
- Administrative, Clerical, Estates and Management

Members of staff automatically become a member when they join the Trust unless they elect to opt out. Information about staff membership is available to all staff on the intranet or via the Governance and Membership office.

Membership Strategy

Our current membership strategy outlines the steps the Trust will take over the next 3 years to ensure we have a membership which is representative of its local community and is actively engaged with the work of the Trust. Progress against key strategic goals includes:

- The Trust has set a goal to increase the size
 of its public membership to 10,000 members
 by the date of authorisation as a Foundation
 Trust. Currently the Trust is on target for its
 recruitment trajectory with a specific focus
 on ensuring that we actively address
 representativeness of membership.
- We strive to improve our representativeness of younger people, particularly those between the ages of 16 to 21. This is a continual challenge due to progression of age and movement of younger members out of area. In 2013/14 we have developed our young volunteer scheme which has led to an increase in number of placements across the Trust. We have continued to build relationships with local schools and colleges to promote foundation trust membership and engaging young people with their local hospitals. We have also participated in the local Youth Health Champions programme.
- We are currently developing ways to engage staff. One pilot project is our staff volunteer scheme which enables staff to spend time as volunteer on wards and departments to support our patients.

Our ongoing communication and promotion activities include:

- Attendance at local events, career and college events to promote foundation Trust membership (e.g. Shrewsbury Flower Show and Oswestry Show). For some of the larger events we worked in partnership with the South Staffordshire and Shropshire Healthcare NHS Foundation Trust to recruit and engage members of the public.
- We continue to keep our membership informed through our Foundation Trust newsletter, A Healthier Future. The newsletter provides updates on Trust news as well as informing members of ways they can become involved with the Trust.
- We have an ongoing series of health lectures which are open to all staff and members of the public. There has been a large increase in attendance at these events, on average between 60-70 people attend

Further information

Information about Trust membership is available from our website at www.sath.nhs.uk of from the Trust Governance and Membership Office on 01743 261473 or members@sath.nhs.uk

9. Remuneration Report

The salary and pension entitlements for the Trust's senior managers and directors for the financial year are shown in Appendix 6. This includes the real increase in pensions during the reporting year, the value of accrued pension at the end of the reporting year and related pension lump sum at age 60, the value of "Cash Equivalent Transfer Value" (CETV) and the real increase of CETV during the year.

The remuneration report describes the remuneration of the senior managers, namely the voting directors on the Trust Board. This includes the Chair, Non-Executive Directors, Chief Executive, Finance Director, Director of Nursing and Quality, Medical Director and Chief Operating Officer.

The remuneration of the Chair and Non-Executive Directors were determined during the year by the NHS Trust Development Authority which is responsible for non-executive appointments to NHS Trusts on behalf of the Secretary of State for Health. The NHS Trust Development Authority took on this role on 1 April 2013 following the dissolution of the Appointments Commission.

The remuneration of the Chief Executive and all other Executive Directors is determined annually by the Remuneration Committee and is based on national guidance issued by the Department of Health. The Remuneration Committee comprises the Chair and Non-Executive Directors of the Trust. Directors or other staff may be required to attend the Committee to present information and reports. Details of the remuneration committee can be found in Section 8.

The expenses of the members of the Trust Board are reimbursed in accordance with the Trust Expenses Policy which is available from the Trust website.

The expenses of the members of the Trust Board are reported on an annual basis on the Trust website.

Performance review and appraisal of the Trust Chair was undertaken during the year by the Chair of the NHS Trust Development Authority on behalf of the Secretary of State in accordance with appraisal guidance provided by the NHS Trust Development Authority. Performance review and appraisal of the Non-Executive Directors is undertaken by the Trust Chair in accordance with appraisal guidance provided by the NHS Trust Development Authority.

Performance review and appraisal of the Chief Executive was undertaken during the year by the Trust Chair and the Chief Executive of the NHS Trust Development Authority in accordance with criteria set by the Remuneration Committee and guidance from the Department of Health. Performance review and appraisal of the Executive Directors is undertaken by the Chief Executive in accordance with criteria set by the Remuneration Committee and guidance from the Department of Health.

The Chair and Non-Executive Directors are appointed for terms of up to four years in accordance with NHS Trust Development Authority guidance and procedures. Information about the terms and durations of current appointees can be found in Section 8.

The Chief Executive and Executive Directors are appointed on permanent contracts in line with NHS terms and conditions. The period of notice required to terminate the employment of the Chief Executive or other Executive Director is six months. There is no contractual entitlement to a termination payment for any member of staff.

Salary increments for the Chief Executive and Executive Directors are discretionary (other than for part of the salary of the Medical

Director which is linked to national pay awards for medical consultants) and there is no contractual entitlement to any increase in salary. Any increments are therefore based on performance against agreed criteria.

Last year there was a 1% general increase in the national Agenda for Change pay scale for NHS staff and for pay for medical consultants. The Trust decided to award its executives a 1% pay increase to reflect this. The Trust does not operate a bonus system.

Other than for the remuneration shown in Appendix 6, no financial awards were made to past or present senior managers.

There were no severance payments made to the Directors of the Trust in 2013/14.

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest paid director in The Shrewsbury and Telford Hospital NHS Trust in 2013/14 was in the salary banding £185k-£190k (2012/13, £180k-£185k).

This was 7.77 times (2012/13, 7.59) the median remuneration of the workforce which was £24,312 (2012/13, £24,072) based on whole-time equivalent. In both 2013/14 and 2012/13 the highest paid director was the Chief Executive.

In 2013/14, five (2012/13, seven) employees received remuneration in excess of the highest-paid director. Remuneration ranged from the salary range £190k-£195k to the salary range £260k-£265k (2011/12, £185-£190k to £240-£245k).

Total remuneration includes salary, nonconsolidated performance-related pay (not applicable to any member of staff in 2013/14 or 2012/13), benefits in kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

The reason for the increase in the pay multiple from 2012/13 to 2013/14 is the comparative impact of a 1% pay increase to the Chief Executive's salary to a 1% pay increase to the median salary.

The salaries and pension entitlements of the Trust's senior managers and directors for 2012/13 and 2013/14 are shown in Appendix 6.

Pela Dur

Peter Herring
Chief Executive
5 June 2014

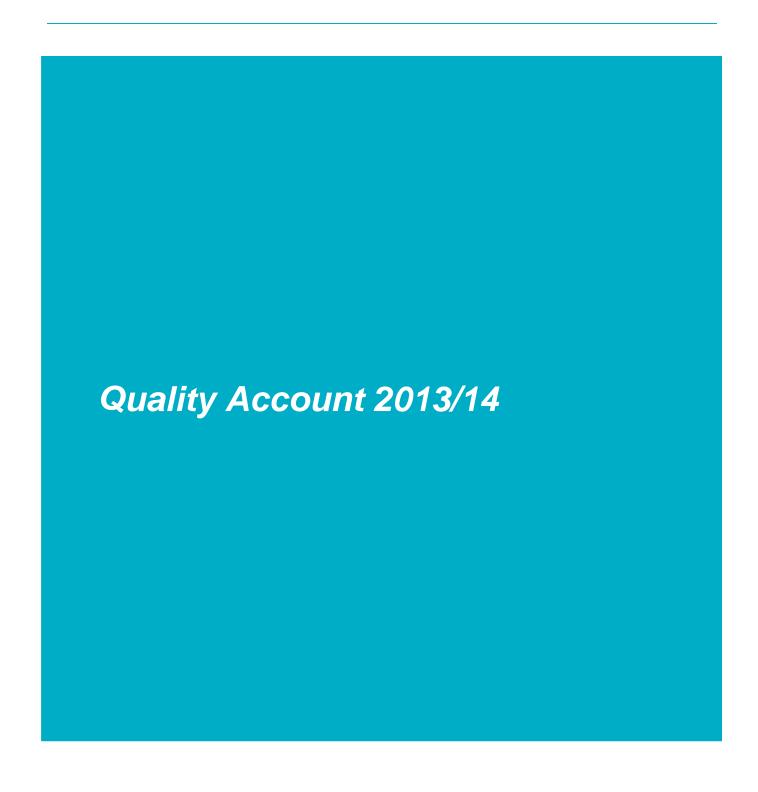
Glossary and Abbreviations

A&E	Accident and Emergency.	
Annual Accounts	A statutory publication setting out the primary financial statements and notes to the Accounts. The	
	content and format is mandated in the NHS Finance Manual.	
Annual Governance	A mandatory statement to accompany the accounts setting out the stewardship of the organisation.	
Statement		
Annual Report	A statutory report published in accordance with the Companies Act 2006. The content is mandated	
	in the NHS Finance Manual.	
Care Group	The Trust's clinical services are organised and led through four care groups – unscheduled care,	
	scheduled care, women & children's and clinical support services (comprising diagnostics,	
	pharmacy and therapies).	
Care Quality	The independent regulator of health and care services. Their responsibilities include the	
Commission (CQC)	registration, review and inspection of services.	
Clinical Commissioning Group (CCG)	CCGs are groups of GPs and other clinicians responsible for commissioning (purchasing) local health services on behalf of patients and communities. They were established from 1 April 2013.	
Group (CCG)	Locally there is a CCG for Shropshire and a CCG for Telford & Wrekin.	
Clostridium difficile	Clostridium difficile is a bacterium that is present naturally in the gut of around 3% of adults and	
(C.diff)	66% of children. It does not cause any problems in healthy people. However, some antibiotics that	
(Ciaiii)	are used to treat other health conditions can interfere with the balance of 'good' bacteria in the gut.	
	When this happens, C. diff bacteria can multiply and cause symptoms such as diarrhoea and fever	
	which can be very serious.	
CNST (Clinical	The CNST Maternity standards support Trusts to improve the way they manage risk and thereby	
Negligence Scheme for	reduce clinical risk in their maternity services.	
Trusts)		
CQUIN (Commissioning	A payment framework that places financial penalties if providers do not meet agreed standards for	
for Quality and Innovation)	improving quality and productivity.	
Delayed Transfer of	When a patient who no longer requires the care of our hospitals remains in hospital because of a	
Care (DTC)	delay in transfer to the next stage in their treatment or recovery (e.g. home, community hospital).	
EPRR	Emergency Preparedness, Resilience and Response – arrangements for identifying, protecting	
	against, responding to and recovering from emergency threats.	
Healthcare Associated	Healthcare associated infections are infections that are acquired in hospitals or as a result of	
Infections (HCAIs)	healthcare interventions. There are a number of factors that can increase the risk of acquiring an	
	infection, but high standards of infection control practice minimise the risk of occurrence.	
Information Governance	Systems and processes for maintaining the security and accuracy of information (including	
(IG)	information about patients).	
Inpatient	An episode of care requiring a stay within hospital (see also outpatient).	
MRSA	A bacterium in the staphylococcus aureus family. MRSA bacteria are resistant to some of the	
	antibiotics that are commonly used to treat infection, including methicillin (a type of penicillin	
NHS Foundation Trust	originally created to treat Staphylococcus aureus (SA) infections). Providers of NHS services that are still part of the NHS but have greater financial freedoms and	
(NHSFT or FT)	stronger accountability to local communities and staff through elected Governors.	
NHS Litigation Authority	Handles negligence claims and works to improve risk management practices in the NHS.	
(NHSLA)		
NHS Trust	A statutory organisation established in accordance with the NHS Act 2006 to provide services as	
	part of the National Health Service.	
NHS Trust Development	A body established in April 2013 to support and develop NHS Trusts on their journey to NHS	
Authority (NHS TDA)	Foundation Trust status.	
Outpatient	Appointment or treatment that takes place in an outpatient setting and does not require a stay in	
Defined Addition	hospital.	
Patient Advice and	The PALS service provides: confidential advice and support to families and their carers;	
Liaison Services (PALS)	confidential assistance in resolving problems and concerns quickly; explanations of complaints	
Primary Care Trust	procedures and how to get in touch with someone who can help. Until 31 March 2013, Primary Care Trusts were the main commissioners (purchasers) of health	
(PCT)	care services on behalf of local patients and communities. From 1 April 2013 their main	
(. 51)	commissioning responsibilities transferred to CCGs.	
Powys Teaching Health	The main provider and commissioner of health services for people in Powys.	
Board	The main promoti and commissioner of floaten convious for people in Few year.	
PRH	Princess Royal Hospital.	
	· ····································	

Quality Account	A statutory report setting out progress and challenges to improve the quality of services and plans	
•	for the year ahead.	
QIA	Quality Impact Assessment – a process for reviewing the impact on quality (patient experience,	
	patient safety, clinical outcomes) of a project or programme of work.	
QIPP	Quality, Innovation, Productivity and Prevention – a programme of work to support the NHS to	
	maintain high standards of care whilst reducing costs.	
Referral to Treatment	A term used to define the process from referral (e.g. by GP) to treatment (e.g. by hospital	
(RTT)	consultant). In England most patients should be seen within 18 weeks from referral to treatment.	
Remuneration Report	Mandated statements setting out the pay and conditions of the senior managers of the Trust.	
RIDDOR	Reporting of Injuries, Diseases & Dangerous Occurrences Regulations – a mandatory system for	
	reporting serious incidents.	
RSH	Royal Shrewsbury Hospital.	
Shropshire County CCG	From 1 April 2013 the main commissioner of health services for people in Shropshire.	
Shropshire County PCT	Until 31 March 2013 the main commissioner of health services for people in Shropshire.	
Telford & Wrekin CCG	From 1 April 2013 the main commissioner of health services for people in Telford & Wrekin.	
Telford & Wrekin PCT	Until 31 March 2013 the main commissioner of health services for people in Telford & Wrekin.	
The Shrewsbury and	Shrewsbury and An NHS Trust. The main provider of acute hospital services in Shropshire, Telford & Wrekin and	
Telford Hospital NHS	NHS mid Wales.	
Trust (SATH)		
Strategic Health	Until 31 March 2013, SHAs were regional bodies responsible for overseeing strategy and	
Authority (SHA)	performance of the NHS in their areas. From 1 April 2013 their main responsibilities transferred to	
	NHS England and to the NHS Trust Development Authority.	

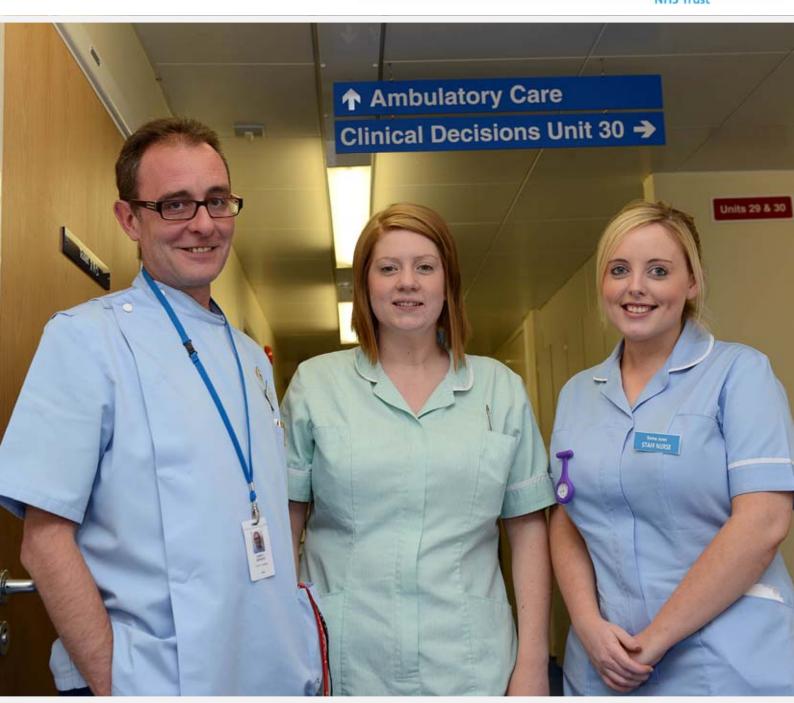
The Shrewsbury and Telford Hospital NHS Trust Annual Report and Annual Accounts 2013/14

Appendix 1



Quality Account 2013/14

This appendix provides the Quality Account 2013/14	



Quality Account 2013-14



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Chief Executive statement

Shrewsbury & Telford Hospital NHS Trust aims to be a safe organisation that provides the best possible clinical outcomes and experience of care to our patients. This means that patient safety and quality are at the heart of everything that we do. As Chief Executive I am proud of what we, at the Trust have achieved and with the Board, have committed to delivering further improvements. To deliver these improvements, the Quality Account sets out a number of areas that we need to focus on. These have been influenced and identified by our patients, staff and partner organisations by listening to their views and comparing ourselves with how other organisations across the NHS and beyond are delivering consistent quality standards of care. The Quality Account is a vital snapshot of our achievements and whilst it shows areas of where we have progressed well; there are clearly things that we need to build on and areas where further improvement is still needed. We hope that you find that this Quality Account for 2013/2014 describes our achievements to date and our plans for the future.

Key to the Trust's success and achievement are our people; particularly as we continuously respond to the changing needs of the health of our community, the remarkable and welcome improvement in the life expectancy of older people along with a changing social and financial landscape. We recognise that the main part of the organisation that directly impacts on the quality and safety of patients is the contribution of the people we employ. It is our workforce that make a difference to patient care through their roles in providing direct and indirect care to our patients.

Feedback from our staff has told us that we need to improve their employment experience and this is why we set out a mission to make our organisation a great place to work and ensure that we are an engaging and listening organisation to work for. Through our values based recruitment we aim to recruit and keep people who believe and live our values to ensure that patients receive and experience the best care. We aim to not only employ an engaged, enabled and empowered workforce but also to develop great leaders who put patients first and drive our organisation to achieve.

The largest part of our workforce is within our nursing staff and we know that safe nursing levels on our wards will mean good standards of care. This was highlighted as being of critical importance in delivering high quality, safe and effective care following the Francis and Keogh reviews during 2013. You will see that our quality account reflects this as a priority for 2014 and follows a review of the nursing workforce in November 2013 where we identified by ward both current and proposed nurse to patient ratios leading to planned increases in nursing staffing from April 2014. We have made a commitment to continuously review our nursing staffing levels through 2014 to sustain safe levels based on the dependency of patients on our wards. We know that providing health care is not without risk and that sometimes we unintentionally harm patients

whilst they are in our care. We will strive to reduce

harm to patients and continue to learn from examples of where the care we provided could have been better. That is why, despite reducing the overall number of falls and avoidable pressure ulcers and improving timely completion of venous thromboembolism (VTE) risk assessments in 2013/14; we will continue to sustain these quality priorities next year.

As a Trust, we are committed to putting patients first in everything that we do. This is reflected in the development of our patient experience strategy which is being designed to encompass all elements of the patient journey. To support the strategy there are a number of methods that we use to collect data on patient satisfaction and experience such as surveys, patient stories and patient experience audits on our wards. This provides us with valuable feedback on how we are doing when we provide care to patients. During 2013/14, our patients told us that more work is needed in a number of areas and these will be a priority for next year. The specific areas that we need to improve include how we communicate with patients and their relatives and carers when explaining about when they are going home, helping patients to understand the medicines that they receive when they go home, understanding the experience of patients receiving cancer services and also understanding the experience of patients receiving care who suffer with dementia. We aim to deliver a wider and increased patient experience programme across non-inpatient areas such as the renal unit and out patient departments.

Finally, the Trust will be proud to open the new Women and Children's Centre later in 2014 at the Princess Royal Hospital site. This major redevelopment will provide state of the art facilities and provide care to our patients in comfortable and modern surroundings.

I hope that you will recognise the examples of the improvement work that teams across the organisation are pursuing. We will continue to strive to provide the best possible care that meets the standards that our patients deserve and should expect.

Declaration

The Secretary of State has directed that the Chief Executive should be the Accountable Officer for the Trust. The responsibilities of Accountable Officers include accountability for clinical governance and hence the quality and safety of care delivered by the Trust. To the best of my knowledge and belief the Trust has properly discharged its responsibilities for the quality and safety of care, and the information presented in this Quality Account is accurate.

Pet During

Peter Herring
Chief Executive



Statement of directors' responsibilities in respect of the Quality Account

The Trust Board are required under the Health Act 2009 to prepare a Quality Account for each financial year. The Department of Health has issued guidance on the form and content of annual Quality Accounts (which incorporates the legal requirements in the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended by the National Health Service (Quality Accounts) Amendment Regulations 2011). In preparing the Quality Account, the Board are required to take steps to satisfy themselves that:

- The Quality Accounts presents an open and balanced picture of the Trust's performance over the period covered;
- The performance information reported in the Quality Account is reliable and accurate;
- There are proper internal controls over the collection and reporting of the measures of performance included in the Quality Account, and these controls are subject to review to confirm that they are working effectively in practice;
- The data underpinning the measures of performance reported in the Quality Account is robust and reliable, conforms to specified data quality standards and prescribed definitions, and is subject to appropriate scrutiny and review; and
- The Quality Account has been prepared in accordance with Department of Health guidance.

The Board of Directors confirm to the best of their knowledge and belief that they have complied with the above requirements in preparing the Quality Account.

By order of the Board:

Date: 2) Luc 2014

Date: 2nd June 2014

Chair:..

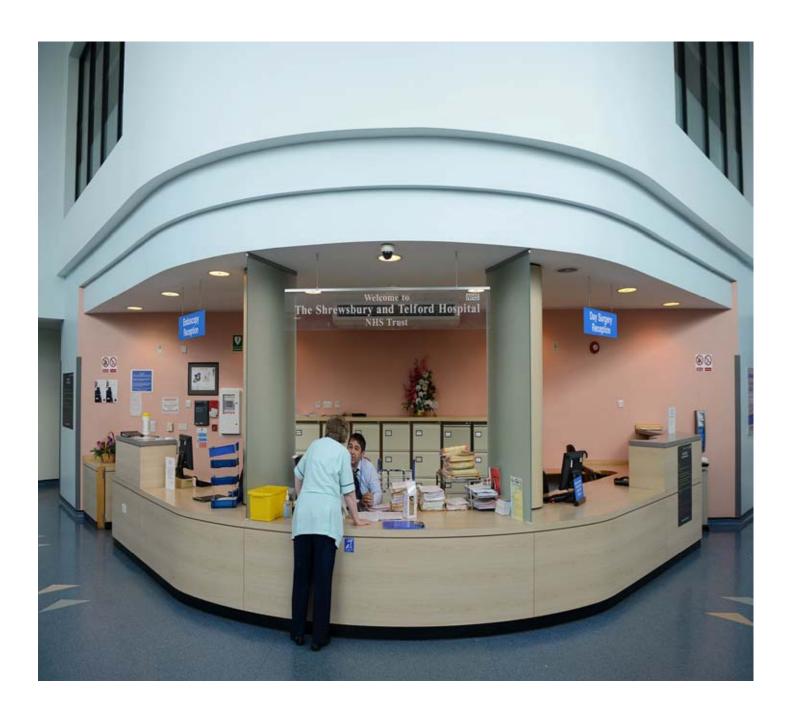
Chief Executive:.....







Part 1



A Review of Quality Performance in 2013 - 2014

In last year's Quality Account we outlined 5 key quality priorities for 2013/14. For each priority we have provided a report outlining the detailed work undertaken within the Trust to underpin the improvements required.

Quality Priority 2013/14	Current Status of Priority	Comment	Further Details on Page
Reducing inpatient falls resulting in serious harm		Despite our best efforts we have not achieved a reduction of inpatient falls that resulted in harm during 2013/14; which is why this will continue to be a priority next year. We have recruited a falls prevention practitioner who has implemented the falls prevention action plan and standardise best practice across the Trust and there continues to be a decrease of just over 12% in the overall total number of falls.	11
Preventing avoidable pressure ulcers		Much progress has been made in the reduction of avoidable Grades 3 and 4 pressure ulcers. There have been no avoidable Grade 4 pressure ulcers this year and a 34% decrease in avoidable grade 3 pressure ulcers. Overall across all pressure ulcer grades 2-4; 2013/14 has seen a 50% reduction.	12
Safe and effective discharge every time		To support patient flow within the hospital at times of pressure; there has been extensive work to support safe and effective discharge. Successful projects focussing on discharge includes implementation of new nursing documentation that enables planning for discharge at admission, a Home for Coffee initiative that supports planning discharges before 10am and a discharge patient information booklet to support patients understanding of when they go home.	13
Communication with relatives and carers		Improving communication with relatives and carers has progressed well this year. We have expanded our patient experience work through a revised survey used on every ward that evaluates how well we are communicating with relatives and carers. In addition, our Patient Experience and Involvement Panel has developed this year and includes 26 members with broad experience who attend and challenge our performance on a number of groups that focus on quality & patient safety.	14
Non inpatient patient experience		Improvement in the experience of care for our patients has been continuously reviewed this year to ensure that we understand and act on the reliability of care received by patients. In practical terms this means that we have extended our patient experience measures into non-inpatient areas such as outpatients and emergency departments.	15

Update on Quality Priorities in 2013/14

1. Reducing inpatient falls resulting in serious harm

Why was this a priority?

Following a number of incidents resulting in patients being harmed due to a fall within the hospitals, we recognised the need to prioritise reducing falls overall and reducing falls causing harm. This coincided with a level of interest and assurances sought by the Health and Safety Executive into the measures that we were adopting to prevent and reduce falls.

What were our goals for 2013-2014?

- · Reduction of overall numbers of falls
- · Reduction in severity of falls
- Bench marking of falls with other Trusts in order to better understand our performance
- · Appointment of a Falls Prevention Practitioner
- Review of Falls risk assessment and establish best practice
- · Develop a remedial action plan with tasks to reduce falls

What have we achieved?

- Recruitment of Falls Prevention Practitioner to deliver education and training
- Internal audit of falls performance by external organisation to test that we are doing everything we can to prevent falls.
- Implementation of actions within the remedial plan to gain assurance that factors that influence falls prevention are being completed.
- Increased awareness among clinical staff of their responsibilities with regards to managing falls risks for our patients.
- Falls Prevention messages incorporated into Fundamentals of Care training
- Trial of new Falls Safe risk assessment
- Review of all falls causing harm to establish key themes and benchmark with other Trusts
- All patient's falls which result in harm reviewed by Senior Nursing Team

What more do we need to do?

We aim to reduce all falls by a further 10% and reduce falls causing harm by 15%. To support this we will continue to implement the Fall Safe risk assessment to all wards, develop a link worker programme that supports the prevention of falls across the Trust and distribute a new updated information leaflet for Staff and Patients.





Why was this a priority?

We know that approximately half a million people in the UK will develop at least one pressure ulcer in any given year. Most commonly this will occur in people with an underlying health condition. For some people pressure ulcers will only require minimal nursing care, whilst with others it can be more serious and have a negative impact on their health and recovery. The Trust remains committed to eliminating acquired avoidable Grade 3 and Grade 4 pressure ulcers and further reducing the occurrence of Grade 2 pressure ulcers year on year.

What were our goals for 2013-2014?

To continue to strive to meet our targets to eliminate acquired avoidable Grade 3 and 4 pressure ulcers and reduce our Grade 2 pressure ulcers by 50%

What have we achieved?

- We have achieved the target of eliminating avoidable grade 4 pressure ulcers
- Our current trajectory for Grade 2 pressure ulcers shows a reduction of 10-15%
- We review all our Grade 2 pressure ulcers to identify further opportunities to reduce Grade 2 pressure ulcers and prevent potential progression to Grade 3
- We have increased capacity within our Tissue Viability team to extend and improve education and training across the Trust
- We have implemented actions within the pressure ulcer prevention plan to improve the recognition and classification of pressure ulcers.
- We have reviewed the quality and specification of our static mattresses and our specialist mattress
- We have tested and evaluated equipment that can contribute to pressure ulcers and introduced a new oxygen mask to reduce the risk pressure ulcers found on ears and noses

What more do we need to do?

The Trust is committed to a further 20% reduction in hospital acquired Grade 2 pressure ulcers and we will continue to strive to make effective changes that will reduce risk to our patients and eliminate avoidable Grade 3 and Grade 4 pressure ulcers.



3. Safe and effective discharge every time

Why was this a priority?

Ensuring that patients know when they're going home and supporting patients to get home safely has a direct effect on our patient's experience. In order to achieve this we know that we need to plan to enable a well delivered discharge process for patients that includes relatives and carers. We also know that with increasing demand on our hospitals we will only achieve this through working with our partner colleagues within primary, community and social care.

What were our goals for 2013-2014?

- Work with our partners to develop an improved and standardised process for discharging patients
- Strengthen our discharge support team
- Introduce discharge training for every registered ward nurse
- Improve information about going home for patients and relatives
- Audit that patients receive discharge information and achieve 80% compliance
- Revise our discharge checklist for every patient being discharged from our wards

What have we achieved?

- During 2013/14 we focussed on improvements to the systems we have available to support and inform us about when patients are ready to go home.
- We implemented a new discharge procedure and also introduced a discharge information leaflet for patients.
- We have implemented a 'Patient Choice' letter for all patients that clearly explains the process from admission to discharge.
- We have recruited to a new role on each site with responsibility for site safety, capacity and improving discharge planning.
- We have established a discharge hub with our partners that provides a centralised control centre which aids communication between the Trust and its external partners.

What more do we need to do?

We know that we have more work to do to ensure that we consistently plan for discharge and communicate with patients, relatives, carers and partner agencies. Listening to our patients and their families tells us that we fall short in sharing enough of the right information when we send patients home and often this relates to their medication. Safe and effective discharge planning therefore is one of the key quality priorities looking forward next year.



4. Communications with Relatives and Carers Why was this a priority?

From the feedback we get from complaints, PALS enquiries, our patient feedback and from the results of our inpatient surveys we are told that we need to improve the way that we communicate with and provide information to our patients, relatives and carers. This can relate to information about choice of treatment plans, ongoing care or plans about being discharged from hospital. We also know that we need to improve the information and signposting for carers particularly those supporting patients living with dementia.

What were our goals for 2013-2014?

- Develop a suite of relevant and clear patient information
- Expand our patient experience feedback processes to include families and carers
- Ensure families and carers are represented on our Patient Experience and Involvement Panel (PEIP)
- Ensure we signpost families and carers of those patients with dementia to where they can access help and support
- Audit and report progress monthly to our Quality and Safety Committee to ensure that we are providing the right support in these areas

What have we achieved?

- We now include feedback from patients, relatives and carers on our 'ward to board' patient surveys
- We have audited our Emergency Department patient experience on a regular basis and increased the number of patients taking part in the survey
- We have developed networks with groups representing carers and have increased their representation on our PEIP panel
- We have implemented a scheme to identify carers for those patients with dementia and signpost them to help and support
- We have worked with the Patient Carers Hospital Liaison worker to support families and carers
- We have listened to carers groups and implemented a carers passport scheme which enables carers to support a patients stay in hospital
- We have implemented an information booklet to support the safe, effective and timely discharge of all our inpatients

What more do we need to do?

We need to continue to listen and learn from what patients, relatives and carers tell us in their feedback to us. We also need to act on the information that they give us and share this across the organisation to improve patient experiences. We will continue to develop and strengthen the relationship between our PEIP panel and our Trust so that the patient experience is central to our work.



5. Non inpatient patient experience

Why was this a priority?

Whilst much of our patient experience work involves inpatient areas such as wards; the Trust recognises the importance and value of continuing this work in non-inpatient areas attended by patients within the hospital. We need to consider patients in all our areas throughout the Trust to ensure that we are listening to their experiences and identify opportunities for improvement to quality and safety.

What were our goals for 2013-2014?

- To continue to listen to patients in non-inpatient areas and include in our monthly report to the Quality and Safety Committee by October 2013
- Gain feedback from patients in our Outpatients department, fertility Clinic, Paediatric wards, renal and Neo-natal unit
- Improve the work of our PEIP members in non-inpatient areas and involve the staff in developing patient experience metrics

What have we achieved?

- We have extended the Friends and Family test into Maternity outpatient settings.
- We have expanded the Friends and Family survey into several Outpatient clinics.
- We have implemented a regular Emergency Department patient experience survey.
- Our PEIP members have been part of a Patient Access project which has led to increased responses and improvement in our Outpatient patient experience survey results.
- PEIP members are now part of regular assurance visits to Outpatients areas and conduct observations of care provided
- We have implemented information for patients aimed at helping them get the most from their consultation with doctors and nurses.
- We have extended our ward to board nursing and quality metrics to our Renal and Paediatric wards.

What more do we need to do?

We will continue to extend and improve the Friends and Family test to cover all our Outpatients clinical areas. We will work with our community partners to ensure that we develop patient experience feedback that supports patients with a learning disability to tell us about their experiences of health care. We will also work with our Emergency Department teams to ensure that the views of our patients are listened to and shared through displayed "You said we did" boards.



Looking Forward to our Quality Priorities for Improvement for 2014 - 2015 How we developed our Quality Priorities for 2013/14

Through engagement with our staff and with external stakeholders we have listened to what matters to our patients and staff and this is reflected in the 4 new key priorities below. These priorities span the 3 domains of quality; Patient safety, clinical effectiveness and patient experience and also reflect key areas of feedback for us such as the national inpatient survey.

	Patien	t Safety	Clinical Effectiveness Patient Experier		
	End of Life Care	Dementia Care	Improving Patient Care through Safe and Effective Staffing Levels	Patients, Relatives and Carer Experience	
Why is this a priority?	A national review and phasing out of the Liverpool Care Pathway for the dying patient has meant changes are needed to ensure that people with advanced life threatening illnesses and their families receive the best possible end of life care.	Nearly 2 thirds of patients admitted to hospital are over 65 and are frail or suffer with some form of dementia. We know that our hospital buildings, services and staff are not always equipped to provide the best possible care for patients with multiple complex needs associated with dementia.	Our staff play a key part in ensuring the quality and safety of patients in the contribution they make providing care. Feedback from our staff tells us that we need to improve their employment experience. The largest part of our workforce is within our nursing staff and we know that safe nursing levels on our wards enables good standards of care.	We continuously receive feedback from patients and relatives through a variety of national and local surveys as well as local patient stories and experience audits. Our patients, carers and relatives tell us that we need to improve in how we communicate with them and improve their experiences of the care that they are receiving.	
Where are we now?	 Developed a health economy wide end of life care plan Multi-disciplinary and partnership approach to patient choices Lead clinicians, patient representatives and palliative care leads involved organisations working together to support early identification and choices provided for end of life care to patients. 	 Improving the quality of care provided to patients with dementia. Engagement and inclusion of carers and relatives, using a Friday lunchtime club Socialisation and diversion therapies for patients with dementia Revised tool for the identification and screening of patients. Introduced a dementia/delirium care bundle across the Trust. 	 Review of the nursing workforce; identifying by ward current and proposed nurse to patient ratios. We are recruiting to an increased number of nursing staff. Integrated education plan sets out a commitment to learning through education. Revised appraisal process A focus on clinical training and leadership development for all disciplines. 	 Understanding the patient experience via our monthly quality reviews on the wards. Reviewed and implemented changes through listening to what patients are telling us from PALs and complaints feedback. Patient Experience and Involvement Panel has progressed in delivering a range of inspection programmes. 	
What are our plans for 2014-2015?	A system wide approach to improving the quality of care at the end of life by: • Appointing a End of Life Facilitator. • Reviewing care recording and decision making at the end of life stage. • Implement care planning to extend choice and to support rapid discharge home. • Implement the Amber Care Bundle that promotes early identification and advance care planning.	A person centred planned approach to care and services to patients with dementia that includes: • An integrated patient pathway using best practice working across primary, community and secondary care. • Identifying and training dementia champions across the Trust • Improved signage and labelling on key wards following a pilot on the care of the elderly/ rehabilitation ward. • Continuing focus on improving engagement and communication with relatives and carers.	Review our nursing staffing levels to ensure on-going quality and safety and update the Trust board on a quarterly basis. Nurse staffing ratios will be reported by inpatient ward. Implement our People Strategy that aims to make the organisation a great place to work and makes clear that this will happen by ensuring that we have engaged, enabled and empowered leaders who believe in the values of the Trust.	Through communication with patients relatives and carers we know that we need to improve in a number of areas. These are: • Understanding the experience of patients with dementia and cancer. • The experience of patients with mental health needs. • Improving how we communicate with patients and their relatives and carers when explaining about when they are going home.	

1.3 Other Quality Measures Which Remain a High Priority

In addition to our new priorities, we maintain focus on a number of other quality measures which are important to us

1. Reducing Harms

Despite our best efforts; we know that sometimes we unintentionally harm patients whilst they are in our care. Harm is described as suboptimal care which reaches the patient either because of something we shouldn't have done or something we didn't do that we should have done. Hospital acquired infections, medication errors, surgical infections, pressure sores and other complications are examples of harm which can occur within a healthcare setting. It is therefore important that we continue to try and reduce harm to patients and to learn from the examples of where the care we provided could have been better.

Current position within the Trust

In the last 12 months, we have reduced the number of overall falls, avoidable Grade 3 and 4 pressure ulcers and improved the timely completion of venous thromboembolism (VTE) risk assessments within the Trust. To maintain improvements the Trust is part of a local health economy group that promotes harm free care across the County. This group looks at initiatives that will help to improve the prevention of key harms sustained as a result of falls, pressure ulcers, VTE risk assessment and catheter acquired urinary tract infections. Each safety initiative is led by a senior nurse or doctor within the Trust to monitor and review any harms caused.

Our aims for 2014/15

During 2014/15, we will continue to use the "Safety Thermometer" to understand the extent to which the care received within our Trust is harm free. Although we are proud of our work on pressure ulcers and falls we will continue to implement our plans to further reduce Grade 3 and 4 pressure ulcers and develop improved changes across the hospital that prevent falls.

At Shrewsbury and Telford Hospital we aim to reduce harm and measure the outcomes of many individual harms to identify the impact of any improvement work we undertake in order to:

- Reduce the number of avoidable Grade 2, 3 and 4 pressure ulcers
- Reduce the number of falls causing harm
- Increase the number of timely VTE risk assessments
- Reduce the number of hospital acquired infections

Each harm will be measured by the Safety Thermometer where relevant and looked at in a more in depth way by dedicated groups to focus on learning and improvement.



2. Fractured Neck of Femur

Patients who suffer a Fractured Neck of Femur have a high mortality and morbidity rate with up to 20% needing long term care post fracture and a further 30% not returning to their pre fracture functioning. Hip fracture accounts for 87% of total fragility fractures.

We know that care varies throughout the country with the length of stay varying between 17 to 40 days between Trusts. Longer lengths of stay also lead to a high rate of healthcare associated infections.

Current position within the Trust

The Centre specialty has successfully submitted a Fractured Neck of Femur business case to the Trust board in order to increase capacity and enable compliance with best practice standards in the treatment of fractured neck of femur. The Trust has also recruited to one Orthogeriatrician at the Royal Shrewsbury Hospital who is beginning to improve the current compliance rate for best practice.

The journey for patients with fractured neck of femur has also been scoped and audited in order to identify areas where the service is challenged to meet best practice standards and key issues identified are being resolved.

Our aims for 2014/15

The Trust aims to improve the clinical outcomes for patients treated with a Fractured Neck of Femur by ensuring an effective care pathway that is:

- Recruitment of a further Orthogeriatrician and Trauma Nurse Specialist for Princess Royal Hospital site in order that appropriate, medically fit patients receive surgery within 24 hours across both sites.
- Services to be co-ordinated and designed to reduce variation in length of stay, reduce mortality and re-admissions.
- Patients are mobilised within 12-18 hours post op and receive needed therapy input.
- Patients are assessed and supported to be discharged back to their home.



3. Caring for our Patients with Mental Health Needs and Learning Disabilities

Patients with Mental Health Needs

Many people with mental health needs are brought to Emergency Departments in distress or are seriously disturbed. Some can become more distressed as a consequence of the illness or injury that has brought them to hospital. 60% of acute hospital inpatients over 65 years of age will have a mental health problem and will require additional skills to support them in the hospital environment.

What do we want to improve in 2014/15

Working together with our partner agencies we want to improve the outcomes for patients with mental health problems and deliver a high quality response when people with mental health problems urgently need help. We want to achieve this by:

Patients with Learning Disability Needs

People with learning disabilities are often vulnerable in acute hospital settings and at greater risk of adverse incidents. Illness can be missed particularly where staff have little knowledge of the healthcare needs of this patient group or where specialist knowledge is unavailable to support them.

- Improving communication and work closely with our colleagues in mental health teams, out of hours services, police and social care to improve the patient experience.
- Improve knowledge through joint training with acute and mental health staff so that they can readily identify the needs of and risks to patients with mental health needs who come into our emergency departments.

What do we want to improve in 2014/15

With our colleagues we want to implement a number of initiatives that help patients with learning disability to be better supported when they have to come into hospital. The key areas for improvement are:

- Improving the knowledge and skills among staff in communicating with people with learning disabilities.
- Recognising, identifying and flagging patients with learning disability.
- Improving information and making reasonable adjustments in hospital for people with learning disability.
- Improving the transfer of information between health services by embedding the "who I am" passport and work with Carers groups to implement a carers passport scheme.



4. Cleanliness and Hygiene

The Patient Environmental Action Team (PEAT) assessments were replaced this year by the Patient Led Assessment of the Care Environment (PLACE) programme.

The programme offers a non-technical view of the buildings and non-clinical services provided across hospitals, hospices and independent treatment centres providing NHS-funded care. A crucial change to the assessment process is the involvement of patient assessors.

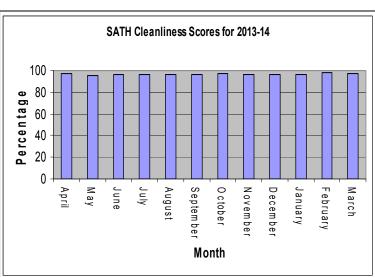
The results of the assessment are shown in the table below.

	Cleanliness	Food	Privacy & Dignity and Well Being	Condition Appearance and Maintenance
	%	%	%	%
Princess Royal Hospital	99.02	76.27	89.07	87.70
Royal Shrewsbury Hospital	98.94	69.66	86.24	84.67
Bridgnorth Maternity Unit	100.00	92.42	93.00	93.10
Ludlow Maternity Unit	74.48	87.50	60.00	49.14
Oswestry Maternity Unit	100.00	86.53	77.14	83.33
National Average	95.74	94.98	88.87	88.75

Cleanliness, food and general maintenance and décor will continue to be monitored via our Patient Environment Team. Feedback from these inspections will be presented to the Patient Environment Group which includes a representative from the Patient Experience and Involvement Panel.

Cleanliness

Audits of Environmental Cleanliness standards in wards and other hospital areas are undertaken by the Domestic Services Monitoring



Team. Our cleanliness scores are measured against the national Standards of Cleanliness and have remained high at 96.74% for the year from April 2013 to March 2014.

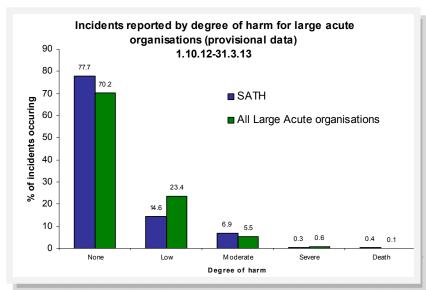


5. Patient Safety

Improving patient safety is central to the Trust's approach to delivering high quality and safe care for our patients. We recognise the value and importance of an open reporting culture when reporting incidents and actively encourage staff to speak out safely on all patient safety incidents.

By investigating each incident, the Trust assesses what actions need to be taken to reduce future risks. We also identify trends and themes that may require a particular focus for learning or improvement. Any serious incident is communicated with the

complaints department to ensure that all lessons are learned and shared openly.



Incidents are classified by the 'degree of harm' they cause and by uploading our patient safety incidents to the NRLS (National Reporting and Learning System) a degree of benchmarking can take place. While reporting to the NRLS is a voluntary system, it is considered good practice to report and enables the Trust to a degree of measured comparison against similar sized Trusts. However, NHS England has identified that Trusts apply the degree of harm inconsistently, making comparisons

difficult and often unreliable.

Serious Incidents (SIs)

Within the open reporting culture of the Trust, staff are encouraged to identify and escalate any Serious Incidents (SIs) and as with any other incident the Trust reviews SIs for trends and themes to look for opportunities for improvement.

In 2013/14 the Trust reported 145 SIs, none of which have been categorised as Never Events. This is a decrease of 19 incidents reported in 2012/13. The absence of Never Event reporting demonstrates a continued commitment to high standards in clinical processes and practice.

The Trust investigates every SI through a Root Cause Analysis (RCA) and an action plan for improvement is developed. Action plans are implemented by the appropriate Care Groups and monitored for completion within identified time frames through Governance groups. Trust wide learning is shared through the Clinical Governance Executive Committee.

6. Safeguarding Adults and Children

The Trust is committed to ensuring that all children and adults at risk have a right to be protected for their safety and well-being and that all staff within our hospital have a responsibility to protect them from harm. The principles of Safeguarding guides the Trust to make sure that:

- We effectively respond to allegations of harm and abuse and that the responses are in line with local multiagency procedures.
- We maintain integrated governance processes when reporting concerns or issues.
- We work in partnership with Local Safeguarding Boards (Child and Adult), patients, families and community partners to create safeguards for children and vulnerable adults.
- We prevent harm and abuse through the provision and delivery of high quality care.

Safeguarding Adults

From April 2013 to March 2014 there have been 72 safeguarding adult alerts raised against the Trust. In the main, these alerts related to allegations of neglect with regard to the discharge of the patient. The majority of alerts were closed at the strategy phase of the process and did not meet the threshold guidance of significant harm. As part of the Safeguarding Board the Trust has agreed to adopt the West Midlands Safeguarding Policy. This commenced in April 2013 and provides continuity for all agencies throughout the West Midlands.

Safeguarding Children

The Trust supports and contributes to both Shropshire, Telford & Wrekin Local Safeguarding children's boards and is committed to the principle that safeguarding children is everyone's business. Following changes to the Working Together to Safeguard Children guidance in 2013 the Trust is working with the national Child Protection Information System to improve communication and information sharing and to increase safeguards for vulnerable children at risk.



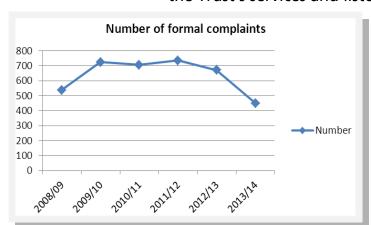


7. Patient Feedback and Complaints

The Trust welcomes feedback from patients and relatives, both positive and negative about the care and services we provide. During the year the Trust has focussed on improving the way in which it responds to concerns and complaints made by patients and their families with the aim of being much more patient focused, responsive, open and transparent.

PALS

PALS is often the first point of contact for patients and relatives wishing to raise concerns. The PALS team can assist with any problems or concerns that patients and the public may have about the Trust's services and listen to their views and comments. This



year, PALS have seen a reducing trend in the number of concerns being raised with 2,055 received this year compared to 2,454 during 2012-13.

Complaints

The Trust has seen a downward trend in the number of formal complaints received this year. In previous years all concerns raised in writing or via the Trust's website were handled as a formal complaint with many issues

relating to appointment or admission problems that could have been resolved earlier. Since July 2013, all concerns are assessed and where appropriate with agreement with the complainant, these issues are handled by the PALS team, thereby ensuring a timely response. This has led to a decrease in the number of formal complaints received by the Trust.

In 2013/14 the Trust received 444 formal complaints showing a 34% decrease from the previous year (671 in 2012/13). Following changes made within the complaints department early contact is made with each complainant and a timescale for response is agreed, based upon the complexity of the complaint. The Trust now achieves a response rate of over 90% within the timescale for response agreed with the complainant.

Positive changes made by the Trust as a result of feedback from patients via PALS and complaints include:

- Staff attend Dementia Care Awareness training.
- Posters displayed on the ward giving details of the nurse in charge and how appointments can be arranged with clinical staff.
- Changes to policies and procedures.
- Staff attending training to improve their communication skills.



CQC Inpatient Survey 2013

The CQC Inpatient survey reviews the care of 850 patients who were admitted as inpatients during July and August 2013. The results will be carefully considered within our Care Group teams to ensure that rapid and sustainable improvements are made to the overall experience we offer to our patients and that improvements are made and evidenced.

The survey shows that we have made significant improvements in a number of important areas and demonstrate that we have delivered improvements in three of the ten sections surveyed.

- The Emergency Department
- Doctors
- Leaving Hospital

Last year's survey showed that the trust was scored as performing worse than other trusts in these three sections. We have improved that position to a score which rates us on a par with the national score. Whilst it is a positive to see an improvement the trust aspires to be better than average and will strive to improve next year.

One particular area where we have performed worse than last year is in relation to overall views and experience. Although this is disappointing; we know from our local intelligence and feedback that we need to improve on how we communicate with patients and ask for their views on the care they have received.

The collection of patient feedback is of paramount importance to the Trust and enables us to be an

Section	Change from 2012*	How does The Shrewsbury and Telford Hospital NHS Trust compare with other Trusts across England?
Section 1: The Emergency / A&E Department	1	Worse About The Same
Section 2: Waiting list and planned admissions	=	Woose About The Same
Section 3: Waiting to get a bed on a ward	=	About The Same
Section 4: The hospital and ward	=	Worse About The Same
Section 5: Doctors	1	Worse About The Same
Section 6: Nurses	=	About The Same
Section 7: Care and treatment		Worse About The Same
Section 8: Operations and procedures	=	About The Same
Section 9: Leaving Hospital	1	Worse About The Same Better
Section 10: Overall views and experiences	=	Worse About Better
* The National Innatient Survey is conducted annually. Fw	ery participa	iting Trust is required to send the survey to 850

^{*} The National Inpatient Survey is conducted annually. Every participating Trust is required to send the survey to 850 patients who spent one night or more in hospital during Summer 2013. The Shrewsbury and Telford Hospital NHS Trust sent the National Inpatient Survey 2013 to 850 patients with an overnight stay during August 2013. 502 completed usable questionnaires were returned. The 78 core questions are divided into the ten sections above. The "Change" score indicates whether our comparison with Trusts nationally (Better, About the Same, Worse) has improved, remained the same or declined compared with the National Inpatient Survey 2012.

organisation that *listens and learns* from what our patients tell us.

This year a number of patient feedback processes have been implemented and a focus next year is placed on the collection of real-time feedback collected by our Trust patient representative panel (PEIP). The ward teams will have access to a designated PEIP member so that they can identify areas where they need to improve the patient experience.



8. Women and Children's Services

The Maternity Services Review was commissioned by Telford & Wrekin and Shropshire Clinical Commissioning Groups in September 2013. The overarching aim of the Review was to ensure the Maternity Service were providing the highest quality and safest care during and after pregnancy for mother and baby. The Review focused on the quality and safety of Maternity Services, through five work streams:

- 1. Service user experience
- 2. Clinical outcomes indicators and activity data
- 3. Hub and spoke model
- 4. Workforce
- 5. Risk management.

The overall findings of the review demonstrated that the Shropshire Maternity Service is a safe and good quality service which is delivered in a 'learning organisation'. A complete copy of the Maternity Services Review can be downloaded from www.telfordccg.nhs.uk

Midwifery-Led Units

Shropshire has five Midwife Led Units (MLUs), which are situated in Oswestry, Ludlow, Bridgnorth, Shrewsbury and Telford. The MLUs are designed to provide a homely atmosphere for low-risk pregnancy, labour and birth and are run by highly trained and experienced midwives. Women with low risk pregnancies are encouraged to consider having their baby at their local MLU. All units contain a chair-bed for partners, birthing aids such as mats and bean bags or a conventional bed if preferred. Birth rooms have dimmable or mood lighting, CD players or televisions to promote a calm and relaxing environment.

Shrewsbury and Wrekin MLUs contain birthing pools and now the latest addition is a state-of-the-art pool installed in the Oswestry MLU in late 2013. (Pictured)

Across the County, some MLU midwives are qualified to offer an aromatherapy service, hypnobirthing or aqua-natal sessions.



9. Mortality

Understanding mortality and how we measure it

With the type of acute care that hospitals such as ours provide it is expected that some patients will die.

We actively monitor our mortality rates using four measures:

- The Hospital Standardised Mortality Ratio (HSMR) (1). This is a national measure and an important means of comparing our mortality against other similar hospitals
- The Summary Hospital-level Mortality Indicator (SHMI). This is similar, in many ways, to the HSMR but also includes patients who die within 30 days of being discharged from our hospital
- Risk Adjusted Mortality Index (RAMI) is similar to HSMR but compares us with a different group of hospitals
- Crude Mortality. This includes all deaths in our hospital We report on these to the Trust Board and to the Quality and Safety Committee on a monthly basis.

What were our goals during 2013/14?

In 2009/10 the Trust was an outlier in the Dr Foster Hospital guide and we knew there were no quick fixes to this problem. We made major improvements and, in this last year, have continued to improve against national measures. Specifically we have:

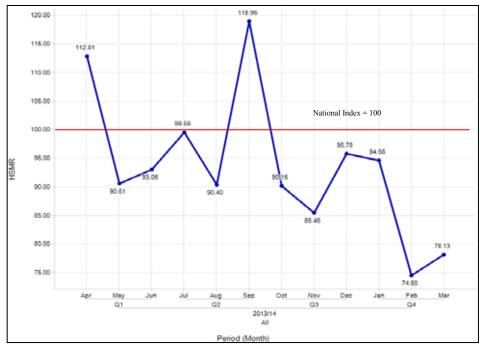
- worked with the Clinical Commissioning Groups and Community Trust to reduce our mortality further
- improved in-hospital mortality through the implementation of care bundles focused on specific diseases
- sustained our focus on SHMI to improve it in line with the other mortality measures

Where are we now?

We have made significant progress in reducing mortality at the Royal Shrewsbury Hospital and the Princess Royal Hospital and we

have shown this in the mortality measures that we report to the board. The HSMR was reduced to below the national index, to between 95 and 97 in 2012/13. We have continued this good performance in 2013/14 by reducing further to around 93 - 94 for the year. We shall strive to maintain this positive trend.

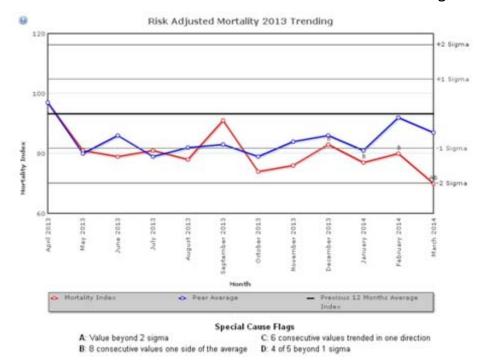
The SHMI remains within "expected range" for mortality, with a reduction in the number of patients who die in hospital, for which we are performing



better than similar hospitals. However, the number of patients who die within 30 days of discharge remains an area for improvement.

Our improvement in performance is also shown in the RAMI, with performance remaining better than similar hospitals for the latter half of the year.

We also continue to make good progress on crude rate of



deaths, as we have reduced crude mortality numbers by 6% compared to 2012/13.

The most significant element about all of these measures is that, taken together, they prove that there has been a tangible reduction in mortality achieved by improvements in the care we provide to our patients.

What more can we do?

We aim to continue to improve our mortality rates by setting ourselves even more challenging objectives.

The objectives for 2014/15 are to:

- maintain the improved mortality levels achieved by the Trust over the last three years, and improve further
- implement a system of screening all in-hospital deaths based on nationally recognised criteria
- implement a system of learning from, and acting on, any death in which avoidable factors played a part

These objectives will help us reduce mortality further by improving the way we learn from mortality. We shall enhance our ability to monitor actions and report areas where improvement can be made. We shall increase the focus on mortality through Clinical Governance groups for each speciality, ensuring that lessons are learned from the screening system we shall put in place.

1.4 Looking Ahead

Our fifth Quality Account aims to be open and honest with our

performance over the last year and encourages scrutiny of the improvements we have made and those that we must achieve in the year ahead.

Our work with our local health and social care colleagues looking at the quality and safety of the pathway of patients through our hospitals is starting to demonstrate improvements. However, we must continue to focus our efforts in this area and on the priorities we have set ourselves to ensure we achieve these key improvements.

Developing our Quality Accounts is always an ongoing valuable learning experience for the Trust and we view each year's account as an opportunity to improve and inform our stakeholders and the public about the quality of care and services we provide

We continue to evaluate the presentation and content of the Quality Account to ensure it remains fresh and accessible. With this in mind, we have included more visual information and grouping it into sections to make it easier to read and understand.

We will endeavour to further develop the accounts year on year, and we actively encourage \sim your feedback. Please let us know your views, to help us enhance patient experience, safety and effectiveness.

Your Feedback Counts

We welcome your feedback on our Quality Account. You can let us know in a variety of ways:

By email to consultation@sath.nhs.uk - please put "Quality Account" as the subject of your email

By fax to 01743 261489 - please put "Quality Account" as the subject of your fax

By post to Quality Account, c/o Director of Nursing and Quality, The Shrewsbury and Telford Hospital NHS Trust, Royal Shrewsbury Hospital, Mytton Oak Road, Shrewsbury SY3 8XQ

We welcome your feedback on any aspect of this document, but specific questions you may wish to consider include:

- What do you think are our biggest opportunities for making progress on the Quality Priorities listed in Section 1.2?
- What actions should we be taking to improve quality in these areas?
- How can we further involve patients and communities in our work to improve the quality of the services we provide?
- Do you have any comments or suggestions on the format of our Quality Account?
- What else would like to see in our quality accounts?

Looking further ahead, we welcome your suggestions for our Quality Priorities in 2015/16 – we will select three to six top priority issues across the three dimensions of quality (patient



Statutory Requirements



2 1 Key Performance Indicators (KPIs) reported and monitored by The Shrewsbury and Telford Hospital NHS Trust are based on national and local priorities.

	Description of Target	2011/12	2012/13	2013/14	2013/14 Target
Pati	Patient Safety Measures				
1	MRSA Bacteraemia (bloodstream) infections	2	1	1	0
2	Clostridium difficile infections	41	45	31	27
3	Clostridium difficile infections per 100,000 bed days*	-	11.9	12.1	-
7	Hand Hygiene	98%	99%	98%	95%
8	Percentage of admitted patients risk assessed for Venous Thromboembolism (VTE)*	92%	90%	94%	90%
10	Safe Surgery checklist compliance	99%	100%	100%	100%
11	Rate of patient safety incidents per 100 admissions*	6.66	6.85	6.83	-
13	Number of patient safety incidents reported*	7748	8095	7172	-
14	Number of patient safety incidents resulting in severe harm/death	74	49	21	-
15	Percentage of patient safety incidents resulting in severe harm or death as a percentage of the number of patient safety incidents*	0.5%	1.2%	0.3%	-
16	Avoiding preventable pressure ulcers (grade 3 & 4)	20	42	27	-
Clini	cal Outcome Measures				
17	Standard Hospital Mortality Indicator (SHMI) + (lower is better)*	-	105.3	99.7	-
	Percentage of palliative care deaths which is coded appropriately (at either diagnosis or specialty level)*	17%	17%	18%	-
19	2 week wait for cancer referrals	98%	96%	95%	93%
20	18 week GP referral to first treatment - Admitted	95%	78%	76%	90%
21	18 week GP referral to first treatment - Non Admitted	87%	95%	95%	95%
22	Patient Reported Outcome Measure - groin hernia surgery*	-	99%	84%	-
23	Patient Reported Outcome Measure - varicose vein surgery*	-	99%	81%	-
24	Patient Reported Outcome Measure - hip replacement surgery*	-	97%	38%	-
25	Patient Reported Outcome Measure - knee replacement surgery*	-	96%	32%	-
26	Percentage or patients aged 0 - 14 readmitted within 28 days of discharge*	9%	10%	10%	-
27	Percentage or patients aged 15+ readmitted within 28 days of discharge*	5%	5%	6%	-
Pati	Patient Experience Measures				
28	A&E 4 hour wait	95%	91%	93%	95%
29	Responsiveness to inpatients personal needs (maintain or improve)* - Score out of 100		64.3	62.1	-
30	Staff survey - Percentage of staff who would recommend the Trust to friends or family needing care*	-	46%	47%	-

^{*} Benchmarking data available in table on following page

A number of key performance indicators (KPIs) are selected for comparison against other NHS trusts across the country.

KPIs reported and monitored by The Shrewsbury and Telford Hospital NHS Trust are listed below with a comparison to national averages and other Trusts to provide benchmarking information.

	National Average	Highest Trust	Lowest Trust	Reporting Period
The data made available to the trust by the Information Centre with regard				
to—				
(a) the value and banding of the summary hospital-level mortality indicator ("SHMI") for the trust for the reporting period; and	1	1.19	0.63	Oct'12 - Sep'13
(b) the percentage of patient deaths with palliative care coded at either diagnosis or specialty level for the trust for the reporting period.	21.28	44.9	0	Oct'12 - Sep'13
The data made available to the trust by the Information Centre with regard to the trust's patient reported outcome measures scores for—				
(i) groin hernia surgery,	0.086	0.158	0.013	Apr'13 - Dec'13
(ii) varicose vein surgery,	0.101	0.158	0.02	Apr'13 - Dec'13
(iii) hip replacement surgery, and	0.439	0.527	0.301	Apr'13 - Dec'13
(iv) knee replacement surgery,	0.33	0.416	0.193	Apr'13 - Dec'13
The data made available to the trust by the Information Centre with regard to the percentage of patients aged—				
(i) 0 to 14; and	4.19	14.94	0	2011/12
(ii) 15 or over,	6.16	41.65	0	2011/12
readmitted to a hospital which forms part of the trust within 28 days of being discharged from a hospital which forms part of the trust during the reporting period.				
The data made available to the trust by the Information Centre with regard to the trust's responsiveness to the personal needs of its patients during the reporting period.	68.1	84.4	57.4	2012/13
The data made available to the trust by the Information Centre with regard to the percentage of staff employed by, or under contract to, the trust during the reporting period who would recommend the trust as a provider of care to their family or friends.	65	93.92	38.03	2013
The data made available to the trust by the Information Centre with regard to the percentage of patients who were admitted to hospital and who were risk assessed for venous thromboembolism during the reporting period.	96%	100%	77%	February 2014
The data made available to the trust by the Information Centre with regard to the rate per 100,000 bed days of cases of C.difficile infection reported within the trust amongst patients aged 2 or over during the reporting period.	17.3	0	30.8	2012/13
The data made available to the trust by the Information Centre with regard to the number and, where available, rate of patient safety incidents reported within the trust during the reporting period, and the number and percentage of such patient safety incidents that resulted in severe harm or death.				
Number of patient safety incidents	4.39	7.75	1.96	Apr'13 - Sept'13
Rate of patient safety incidents per 100 admissions	7.07	11.06	3.85	Apr'13 - Sept'13
Percentage of patient safety incidents that resulted in severe harm or death	0.6	2.6	0.1	Apr'13 - Sept'13

In some cases, the Trust's results fall below the national average. Where this occurs, the performance of that metric is monitored and where necessary included in pieces of focussed work. For example, we have fallen below the national average for risk assessment of venous thromboembolism and responsiveness to inpatient need. Both of these measures are now identified as priorities in this year's Quality Account.

Statements of Assurance

2.2 Progress and assurance against achievement of this year's quality priorities will be reported to the Quality and Safety Committee which is a formal subcommittee of the Trust Board. Further assurance against progress is achieved in reporting to the Commissioning Quality Review meeting and will also be reported in the 2014/15 Quality Account.

How will we monitor, measure and report progress to improve quality, including our Quality **Priorities?**

Patient Experience

Our improvements against the priorities will be monitored by our Patient Experience and Involvement Panel who will receive reports on progress in relation to patient experience surveys and audits throughout the year. The Quality and Safety Committee will also receive monthly progress on patient experience metrics and will hold us to account for delivery of the priorities relating to patient experience. Our performance will also be reported to our commissioners through the Commissioning Quality Review meeting on a monthly basis.

Patient Safety

All elements of patient safety including our priorities will be monitored by specific task groups that will support the implementation of the work that needs to be done to make improvements. These and a range of safety metrics are presented and discussed by clinicians within care groups and senior nurses at the Nursing and Midwifery Forum where peer and corporate challenge is given with actions for improvement agreed. The Quality and Safety Committee will receive information regarding performance and progress in the monthly quality report. The quality report contains a variety of metrics relating to patient safety which are carefully monitored and challenged by the committee who conduct an executive safety visit to gain further assurance on a monthly basis. Our quality report is also shared with commissioning groups and forms the basis of discussion at the Commissioning Quality Review meeting.

Clinical effectiveness

We recognise that the priority to improve discharge really matters to patients and their relatives or carers. We will monitor our progress in this area closely and ensure that we foster a partnership working approach to ensure that we make improvements. Further reporting relating to workforce metrics (such as sickness absence, training and appraisals) and performance in this area will be at many levels throughout the Trust from Ward to Board level and externally to the Trust through commissioners and other stakeholders. Progress and outcomes of clinical audit continue to be shared across the Trust and compliance with NICE guidelines and Technology Appraisals (TAG) is reported both internally and externally to commissioning groups.

Review of Services

The categories of services provided by The Shrewsbury and Telford Hospital NHS Trust are:

- **Daycases**
- Elective care
- Emergency care, including A&E services
- Maternity care
- Outpatients

During 2013/14 the Shrewsbury and Telford Hospital NHS Trust provided and/or subcontracted the full range of services for which it is registered NHS Services (these are detailed in the Trust's Annual Report 2013/14 or via our web site).

The Trust supported a number of reviews of its services during 2013 and 2014. These were undertaken by external organisations and included:

- The Care Quality Commission
- Annual Cancer Peer review
- CCG review of Ophthalmology
- Ofsted/CQC review of children's safeguarding services in Shropshire, Telford & Wrekin.
- Adult Safeguarding Peer review—Telford & Wrekin

The Trust undertook via internal auditors a review it's falls prevention programme. We also reviewed and supported individual wards on a quality improvement framework, reviewed patient flow processes and supported the CCG Ophthalmology review by sharing trust investigation findings. The Trust has reviewed all of the information available in relation to the services provided.

The income generated by those NHS services that were reviewed in 2013/14 represents 100 per cent of the total income generated from the total provision of NHS services by the Shrewsbury and Telford Hospital NHS Trust for 2013/14



The following internal and external reviews tool place during 2013—2014

	The Trust was reviewed by the CQC during unannounced inspections on 25th April
Trust Wide Inspections CQC	2013 at Princess Royal Hospital and 23rd October 2013 at Royal Shrewsbury Hospital. Reasons for the visits were part of the CQC routine schedule of planned reviews. Both visits resulted in improvement notifications being submitted to the Trust by the CQC where concerns were raised against specific outcomes. Significant progress has been made against those actions required and the CQC have received implementation plans for assurance against progress.
Trust Wide PLACE Assessments	From April 2013 the Trust introduced PLACE assessments; a new system for assessing the quality of the patient environment using patient representatives to support the inspection. PLACE replaces the old Patient Environment Action Team (PEAT) inspections and will be undertaken formally every year.
Medical Engineering Services	The department maintained its external audit success and compliance with the requirements of ISO 9001:2008 and on-going ISO 13485:2008.
Trust Wide Pharmacy	The MHRA inspected both aseptic units in Q1 of 2013/14; which resulted in the Trust achieving licensed status at RSH and maintaining the license status at PRH. There has also been a quality audit of pharmacy training standards undertaken by Health Education West Midlands who reported favourably on standards of training.
Maternity	Maternity services were reviewed both internally and externally during 2013/14 and received positive reports from the following reviews: Shropshire CCG services review CNST Maternity standards review achieved Level 3 yearly inpatient survey provided positive feedback
Midwifery	Midwifery services are reviewed annually by the West Midlands Local Supervising Authority Maternity Officer (WM LSAMO) to ensure that the arrangements for and the execution of Supervision of Midwives are satisfactory. The Trust again received positive feedback highlighting the proactive approach to supervision within SaTH.
Paediatrics	The Royal College of Paediatric Child Health undertook a review of the proposed service model in preparation of service re-configuration. The review tested potential models for future service delivery.
Paediatric Oncology	A Peer Review was undertaken in August 2012. The validated self assessment will take place in Summer 2014 (24.06.14)
Paediatric Diabetic:	A Peer Review was undertaken during the last financial year.
Paediatric Cystic Fibrosis	A Peer Review was undertaken in March 2013 No urgent actions required Move to 6 monthly CF Centre team reviews from previous 12 monthly interval En-suite accommodation will be delivered by 29.09.14 when new children's ward opens Mid-IVs clinical review process to be formalised, with proforma generated and spirometry equipment purchased for home spirometry monitoring
Gynaecology Oncology	A Peer Review was undertaken during the last financial year. The validated self assessment will take place in Summer 2014 (25.06.14)
Fertility	A HFEA full review took place in May 2013
Emergency Services	Health Education West Midlands—visit did not raise any significant concerns however due to the amount of reconfiguration at SATH it has been agreed that annual visits will be required. Follow up visit arranged for the 9 th July 2014 for both sites
Pathology Service	Reconfiguration of laboratory services, resulting in transfer of Gynae-Cytology service from SaTH to University Hospital of North Staffordshire, consolidation of Serology, Molecular and Microbiology at RSH, consolidation of non-Gynae Cytology and Histology services at RSH Improvement of specimen reception area at RSH Release of laboratory space at PRH for the development of Women & Children's services

Phlebotomy Service	Transfer of service into new accommodation at Elizabeth House. Communication with GP practices regarding opening times and arrangements for fasting patients Recruitment and commencement of training of new phlebotomists to facilitate implementation of a 7 day service for in-patients at both PRH and RSH
Environmental Health Food Safety Inspection	Environmental Health Food Safety Inspections were carried out for both hospital sites by Shropshire Council and Telford & Wrekin Council. We achieved 5/5 Food Hygiene Rating for both Princess Royal Hospital and Royal Shrewsbury Hospital.
Food Service Audits and Protected Mealtime Audits	Unannounced Food Service and Protected mealtime audits were carried out on wards at both hospital sites. Standards were assessed using an audit tool which incorporates standards for food service, quality, presentation and protected mealtimes. Members from PEIP were included in the audit team
Quality & Safety Committee	Continue to support and receive assurance from quality and safety committee members observations of clinical areas.
WHO Safe Surgery Checklist	The Trust undertakes a review of all records in both hospital sites in response to the Who Surgical Safety Checklist. Theatres within SaTH undertake a monthly review of how compliant theatre staff are in completing the Who Safer Surgery Checklist. The Trust consistently achieves 99— 100% compliance with this audit.
Shropshire, Telford & Wrekin Ofsted Inspection for Safeguarding Children	The Trust took part in the annual peer review of both Shropshire, Telford & Wrekin local authorities in relation to safeguarding children during 2013. Positive feedback from the peer review team included the Trust's collaboration and involvement with safeguarding children with both authorities.



7 4 Participation in Clinical Audit

Participation in clinical audit is an important element of the Trust's approach to quality improvement that seeks to improve patient care and outcomes through the systematic review of care against explicit criteria and implementing change. Aspects of the structure, processes, and outcomes of care are selected and evaluated against explicit criteria. Where indicated, changes are implemented at an individual, team, or service level and further monitoring is used to confirm improvement in healthcare delivery. Participation in national clinical audits, national confidential enquiries and local clinical audits provide an important opportunity to stimulate quality improvement within the Trust and across the NHS as a whole.

Clinical Audits

Section 2

During 1st April 2013 to 31st March 2014, **68** national clinical audits and **5** National Confidential Enquiries (NCEPOD) covered NHS services that the Shrewsbury and Telford Hospital NHS Trust provides.

Section 2.1

During that period the Shrewsbury and Telford Hospital NHS Trust participated in 53 / 58 [91%] of the national clinical audits and 5 / 5 [100%] national confidential enquiries of the national clinical audits and national confidential enquiries which it was eligible to participate in.

Section 2.2

The national clinical audits and national confidential enquiries that the Shrewsbury and Telford Hospital NHS Trust was eligible to participate in during 1st April 2013 to 31st March 2014 [**63**] are listed at

www.sath.nhs.uk/Library/Documents/Clinical_Audit/ga201314_table1.pdf

Section 2.3

The national clinical audits and national confidential enquiries that the Shrewsbury and Telford Hospital NHS Trust participated in between 1st April 2013 and 31st March 2014 are listed at: www.sath.nhs.uk/Library/Documents/Clinical_Audit/qa201314_table2.pdf

Section 2.4

The national clinical audits and national confidential enquiries that the Shrewsbury and Telford Hospital NHS Trust participated in, and for which data collection was completed during 1st April 2013 and 31st March 2014 alongside the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry are listed at:

www.sath.nhs.uk/Library/Documents/Clinical_Audit/ga201314_table3.pdf

Section 2.5

The reports of [23] national audits were reviewed by the provider during 1st April 2013 and 31st March 2014.

Section 2.6

The Shrewsbury and Telford Hospital NHS Trust intends to take the actions listed to improve the quality of healthcare provided:

www.sath.nhs.uk/Library/Documents/Clinical_Audit/qa201314_table4.pdf

Section 2.7

The reports of [117] local clinical audits were reviewed by the provider during 1st April 2013 and 31st March 2014

Section 2.8

The actions which the Shrewsbury and Telford Hospital NHS Trust intends to take the following actions to improve the quality of healthcare provided are listed at:

www.sath.nhs.uk/Library/Documents/Clinical_Audit/ga201314_table5.pdf

Participation in Clinical Research

The Trust is committed to active participation in clinical research in order to improve the quality of care we offer and also to make a contribution to wider health improvement. In doing so our clinical staff stay abreast of the latest possible treatment possibilities and active participation in research leads to successful patient outcomes.

How have we achieved?

We work closely with the West Midlands North Comprehensive Local Research Network (CLRN) and the Topic Specific Networks to promote a strong research culture. We will continue to do so with the larger West Midlands Local Research Network coming into place from 1st April 2014.

Research activity has grown and this year we entered the National Institute for Health Research (NHIR) list of 100 top recruiting hospitals and we are proud to have one Chief Investigator for an international clinical trial. 7 studies have been opened in the new areas of neurology, critical care, ophthalmology, audiology and haematology and the number of recruiting commercial studies has increased from 7 in 2012/13 to 11 in 2013/14. The number of actively recruiting Principle Investigators has increased from 32 to 36.

The Trust approval process for new studies continues to be completed within 30 days and the proportion of studies recruiting the first patient within 30 days of receiving approval has increased to 69%. Work is on-going in improving engagement at all levels within the Trust

Total no Recruit-Specialty Total no Recruitof studies ment of studies ment 2012/13 2012/13 2013/14 2013/14 Cancer 24 301 25 399 Cardiovascular 3 137 9 600 awards scheme. The Trust also acts as a Continuing Gastro-16 443 15 292 Intestinal 2 32 3 4 Stroke Respiratory 1 1 1 1 Reproductive 3 30 5 36 Health Medicines for 5 63 7 98 Children (inc non drug studies) Renal 23 38 5 trials. Dementia 189 1 38 Dermatology 1 6 1 1 Neurology 2 8 NHS services provided or Critical care 1 6 Ophthalmology 1 22 Audiology 1 13 Haematology 1 3 Other 4 42 1 1 mittee was 1586 Local 81 26 **Totals** 60 1273 1586

and the public by promotional events, providing speakers at local groups, activity reports to the Board, 2 lay members on the R&D Committee and inclusion of a Research Award within the Trust's annual

Care site for local children recruited into cancer studies at Birmingham Children's Hospital and delivers all the treatment and follow up care required. Radiology and pathology services are also provided for patients taking part in clinical research in our local mental health trust and primary care. Maintain or increase participation in commercial

The number of patients receiving sub-contracted by The Shrewsbury and Telford Hospital NHS Trust in 2013/14 that were recruited during that period to participate in research approved by a research ethics com-

Where trials are adopted by more than 1 specialty they have been assigned to the specialty of the Principle Investigator

2.6 Data Quality

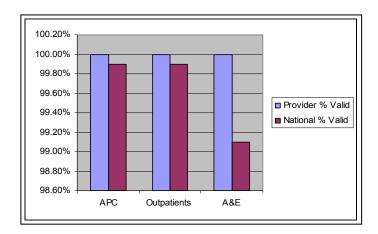
This section of our Quality Account provides information about data quality. Good quality information underpins the delivery of effective patient care and is essential to understanding where improvements need to be made.

During the reporting period April 2013 to January 2014, the Trust submitted records to the Secondary Uses Service for inclusion in the Hospital Episode Statistics.

The percentage of records in the published data (based on April to Jan 13/14 SUS data at the month 10 inclusion date):

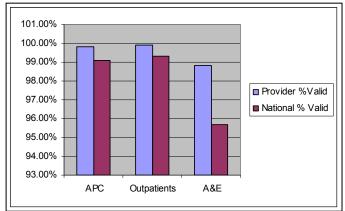
which included the patient's valid **General Medical Practice Code** was

- 100% for Admitted Patient Care
- 100% for Outpatients Care
- 100% for Accident and Emergency Care Valid General Medical Practice Code



Which included the patient's valid **NHS number** was:

- 99.8% for Admitted Patient Care
- 99.9% for Outpatients Care
- 98.8% for Accident and Emergency Care Valid NHS number



The Francis Inquiry recommendation number 269; cited that the only practical way of ensuring reasonable data accuracy is vigilant auditing at local level of the data put into the system. The Trust have put into place a Data Quality Audit plan, which will measure each months data collection requirements and the validity of the data captured. The findings of these audits will be taken to the Trust Data Quality Group, where recommendations and remedial actions will be discussed and forwarded to the appropriate areas. The Audits will also identify areas with:

- Lack of standards and guidance
- Poor training and awareness of the impact of poor quality data

This will be supported by recommendations for further training in these areas, this will be regularly monitored and reviewed with the Data Quality Group.

Data Quality: Clinical Coding

The Shrewsbury and Telford Hospital NHS Trust has not been subject to Payment by Results clinical coding audit during the reporting period April 2013 to March 2014 by the Audit Commission.

Information Governance

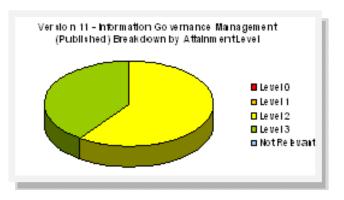
There have been a number of key developments in the world of healthcare information governance since the last quality account. March 2013 saw the 'To share or not to share?' Information Governance Review (also referred to as Caldicott2). The overarching aim of this review was to ensure that there was an appropriate balance between the protection of patient or user's information, and the use and sharing of such information to improve care. This review was written within a few weeks of the publication of the Francis report on Mid Staffordshire NHS Foundation Trust, and this too recommended the need for a cultural change in the NHS. It stated that a re-balancing of sharing and protecting information is urgently

Initiative	Level achieved 2014	Grade
Information Governance Management	80%	Satisfactory
Confidentiality and Data Protection Assurance	91%	Satisfactory
Information Security Assurance	77%	Satisfactory
Clinical Information Assurance	80%	Satisfactory
Secondary Use Assurance	70%	Satisfactory
Corporate Information Assurance	66%	Satisfactory
March 31 st 2014 -Overall score	78%	Satisfactory

needed in the patients' and service users' interests.

The review also stressed that there is clearly an ongoing need for education and training in this area for staff, and also for patients and service users. Given the imperative to meet the needs of an ageing population, particularly at the boundary between health and social care, it is crucial that systems for principal sharing of information are well understood. As the Health and Social Care Act 2012 takes effect public health, within its new managerial structure, must also be involved.

With invoice validation continuing to make the head-lines among the NHS information governance community NHS England are focusing on this area of work. The Secretary of State for Health has approved the NHS England application for support under Regulation 5 of the Health Service (Control of Patient Information) Regulations 2002 (Section 251 Support). This allows CCGs and CSUs to process some personal confidential data required for invoice validation purposes. This is subject to a set of conditions and is a temporary measure only.



The current IG Toolkit assessment has been submitted for March 31st 2014. The Trust has achieved a 'satisfactory' result as all the categories have at least a level 2 compliance score.



2.8 Use of the Commissioning for Quality and Innovation (CQUIN) payment framework

A proportion of Shrewsbury and Telford Hospital NHS Trust income in 2013/14 was conditional on achieving quality improvement and innovation goals agreed between Shrewsbury and Telford Hospital NHS Trust and any person or body they entered into contract, agreement of arrangement within England for the provision of NHS services, through the Commissioning for Quality and Innovation payment framework.

No	CQUIN Goal		
1	Friends and Family Test. Improve response rates in order to improve the experience of patients	Met	
2	Friends and Family Test. Phased expansion to include Maternity and A&E services	Met	
3	Friends and Family Test. Improvement of score within staff survey	Met	
4	Dementia. Ensuring that at least 90% of patients aged over 75 and who are admitted, are assessed and referred on to the specialist services.	Met	
5	Dementia. Ensuring sufficient clinical leadership and appropriate training	Met	
6	Dementia. Ensuring carers of people with dementia feel adequately supported	Met	
7	VTE. Proportion of adult inpatients that have a VTE risk assessment on admission to hospital.	Met	
8	VTE. Number of root cause analysis on confirmed cases of pulmonary embolism deep vein thrombosis	Met	
9	9 Medicines Management. Improvement from 2012/13 CQUIN on information in discharge summaries		
10	Medicines Management. Antibiotic prescribing checked as clinically appropriate in line with microbiology formulary		
11	Patient Flow. Implement improved discharge checklist	Partially met	
12	Patient Flow. Develop and use patient and family information packs for simple and complex discharge	Partially met	
13	Patient Flow. Discharge training for registered nurses	Partially met	
14	Organisational Culture. Introduction of values-based recruitment for new staff in designated staff groups, and ensuring values are intrinsic in recruitment process	Met	
15	Falls Reduction. Further reduction in falls resulting in serious harm		
16	Falls Reduction. Delivery of corporate falls action plan on serious harm falls reduction	Met	
17	Falls Reduction. Implementation of falls team and partnership across local health economy	Met	
18	Maternity. Implementation of 2nd year Baby Friendly	Met	

No	CQUIN Goal	
1	VTE. Reduce avoidable death, disability and chronic ill health from Venous-thromboembolism (VTE). 90% of admitted patients to have a VTE assessment every month.	Met
2	Patient Experience. Improve responsiveness to personal needs of patients. Maintain or improve upon 2011/12 survey results (64.4).	Not met
3	NHS Safety Thermometer. Improve collection of data in relation to pressure ulcers, falls, urinary tract infection in those with a catheter, and VTE.	Met
4	Improving Diagnosis of Dementia in Hospital. The use of a screening tool, a screening questionnaire and referrals to specialist dementia service.	Partially met
5	Implementation of clinical dashboards for specialised services. Ensuring that Providers implement and routinely use the required clinical dashboards for specialised services	Partially met
6	Increasing use of home renal dialysis. To ensure patients are offered choice in their renal replacement therapy. Increase number of patients receiving dialysis at home.	Partially met
7	(Neonatal) Increase effectiveness of hypothermia treatment	Met
8	(Neonatal) Discharge planning/family experience and confidence	Met

During 2014/15 2.5% of our contract values with Clinical Commissioning Groups in England will be based on achievement of 8 national CQUIN goals and 6 locally agreed CQUIN goals. The current draft schemes are summarised in table below

No	CQUIN Goal - National Requirement
1	Friends and Family Test. Implementation of Staff Friends and Family Test
2	Friends and Family Test. Implementation in Outpatient Department and Day Surgery Units
3	Friends and Family Test. Increasing response rates in inpatient wards and A&E
4	Friends and Family Test. Decrease or maintain zero negative response rate
5	NHS Safety Thermometer. Further reduction in the prevalence of category 2-4 pressure ulcers
6	Dementia. Find, Assess, Investigate, Refer. (FAIR)
7	Dementia. Clinical Leadership
8	Dementia. Supporting Carers of people with dementia
	CQUIN Goal—Locally Agreed
1	Patient Experience. Maternity and Cancer Services
2	Patient Experience. Friends and Family Test
3	Maternity. Achieving level 3 Baby Friendly
4	NHS Safety Thermometer. Medicines Management
5	Discharge. Improving communications with patients and relatives
6	7 Day Services

There are goals relating to Specialised Services, summarised in draft in the table below.

No	CQUIN Goal
1	Friends and Family. Phased expansion
3	NHS Safety Thermometer. Moved from local to a national requirement.
4	Dementia.
5	Clinical Quality Dashboards across specified clinical specialities
6	Breast Milk in Preterm Infants
7	Shared Haemodialysis Care
8	Parenteral Nutrition



Care Quality Commission (CQC) registration and compliance

The Shrewsbury and Telford Hospital NHS Trust is required to register with the Care Quality Commission and its current registration status is registered with conditions. The Care Quality Commission has not taken any enforcement action against The Shrewsbury and Telford Hospital NHS Trust during 2013-2014 and the Trust is not subject to periodic review by the Care Quality Commission. The Shrewsbury and Telford Hospital NHS Trust has not taken part in any special reviews or investigations by the CQC under section 48 of the Health and Social Care Act 2008 during 2013-14.

This section of our Quality Account describes our registration with the Care Quality Commission (CQC), as well as any reviews they have undertaken of our services (either periodic reviews or special reviews). From 1 April 2010 all providers of NHS services are required to register with the Care Quality Commission. Registration provides us with a "licence to operate" to provide NHS services. To be registered, NHS Trusts must show that they are meeting essential standards of quality and safety. Compliance with these standards is monitored on an on-going basis by the Care Quality Commission.

Care Quality Commission Reviews

The CQC uses 6 standards of quality and safety to regulate health and adult social care in provider organisations with each standard having a number of associated outcomes (28) that are expected.

The Trust was reviewed by the CQC during unannounced inspections on 25th April 2013 (PRH) and 23rd October 2013 (RSH). The reasons for the visits were part of the CQC routine schedule of reviews. Both visits resulted in improvement notifications being submitted to the Trust by the CQC where concerns were raised against 3 standards relating to 5 outcomes. Significant progress has been made against those actions required and the CQC have received implementation plans for assurance against progress.

PRH - Improvement was required in Outcome 1 relating to privacy, dignity and listening to patients views. Improvement was required in Outcome 4 relating to people and their experience of care, treatment and support that met their needs.

RSH - Improvement was required in Outcome 2, relating to consent to care and treatment, Outcome 17 in relation to improving complaints processes and Outcome 21 in relation to patient records and care planning.

Outcome	CQC Judgement		
	RSH	PRH	
1: Respecting and involving people who use services	Compliant	Not fully met	
2: Consent to care and treatment	Not fully met	Compliant	
4: Care and welfare of people who use services	Compliant	Not fully met	
17: Complaints	Not fully met	Compliant	
21: Records	Not fully met	Compliant	

Annex 1

Statements from local Healthwatch, Health and Adult Social Care Scrutiny Committees and Clinical Commissioning Groups

Healthwatch Telford and Wrekin

Healthwatch Telford and Wrekin was established to replace LINk in 2013 with a new board and staff team working closely with Telford Council, Healthwatch England, Healthwatch Shropshire and others. Roles include: information and advice, signposting, patient and community engagement, enter and view, intelligence, trends & evidence, representation and influencing. Healthwatch exercise certain statutory powers.

The Shropshire & Telford Hospital NHS Trust draft Quality Accounts were presented to the Healthwatch Telford and Wrekin board on the 28 April 2014 by Jo Banks and Nick Holding from the NHS Trust. HWT&W is developing its knowledge of services and seeking the views and concerns of service users on health and social care. HWT&W is an independent body and voice but is seeking to work constructively with providers and will seek a regular dialogue and effective communication with The Shrewsbury & Telford Hospitals NHS Trust. We are grateful for the meetings and engagement with both hospitals that has already been established and we look for this to continue and develop.

We welcome the Executive Statement and that the QA priorities have been influenced and identified with patients, staff and partners by listening to views and comparison with other NHS Trusts. We note they provide a "snapshot" of the broad range of hospital activities. We support your view that we must all respond to the changing needs of the health of our community. We welcome attention to the critical issue of improved nursing levels on wards and attention to the patient experience and the patient journey. We also welcome efforts to improve communication with patients and relatives, including a focus on the process of discharge from hospital and going home. We welcome that particular attention is being given to patients with cancer and their carers, and also to those with dementia. We are pleased to be involved in the assessment of the new Women's and Children's unit (opening later in 2014) and to help ensure that any issues are covered in both hospitals in the transition.

Healthwatch Shropshire

Healthwatch Shropshire is pleased to be invited to consider and comment on the Trust's Quality Account 2013-14.

We recognise that the Trust was graded as satisfactory in the Information Governance Toolkit for 2013-14 and that the overall score of 78% is not the lowest among local NHS Trusts. However, there has not been any improvement on last year's score and there are other local NHS Trusts with higher scores.

It is positive to note that both the number of formal complaints and concerns raised with PALS has decreased.

The reconfiguration of Women's and Children's Services will be a significant change with the potential to impact considerably on patient experience, so it is disappointing that this section of the Account was not available for consideration.

It is also disappointing that details regarding the outcomes of internal and external service reviews as well as data on participant in clinical audit and research were not available. However, it is encouraging to note the Trust's stated commitment to participation in research, which we hope will be reflected in the figures when they are available, in particular of patients recruited which is an important area for patient involvement.

While Midwife Led Units are intended to provide a homely atmosphere, it is crucial that the necessary procedures and training is in place to support the safety of these units. Following on from the requirements identified in these areas from the Shropshire Clinical Commissioning Group's Maternity Services Review in 2013, Healthwatch Shropshire is keen to see that the Trust takes all the necessary steps to address the recommendations and areas for development contained in the review.

It is disappointing to note that the Trust's CQC registration is now with conditions and that there were various outcomes in which the Trust was non-compliant.

We look forward to continuing to develop the strong working relationship with the Trust and using our patient experience data to contribute to the ongoing improvement in patient care.

Shropshire Council Health and Adult Social Care Scrutiny Committee

The representatives from Shropshire Council's, Health and Adult Social Care Scrutiny Committee gave praise to the appointment of a falls practitioner that had started in January. They also praised the Trust's work completed on pressure ulcers and hoped that this would continue into the future and especially their work in promoting awareness within the community and other health organisations. There was agreement that safe and effective discharge was an important aspect of the Trust's work. Strong relationships and effective communication with community partners was a key component to the discharge process and they were pleased to see a move to do this in the patients' home. It was suggested that some simple telephone contact numbers could be given when the patient was discharged. The work that had been undertaken on the employment experience was welcomed.

Credit was given to the extremely good cleanliness standards and they were hopeful that the food ratings would improve, which were lower than the national average. They were pleased to see a fall in the number of formal complaints and noted the changes in process that had taken place. The difficulty of parking and access at both hospital sites was raised, which undoubtedly had an impact on the overall experience for visitors. It was recognised that there was a challenge with the management of patient notes. It was recommended that the Trust should consider some of the electronic options such as personal electronic cards and in the meantime look to improve the general information management process of paper records.

Praise was given to the Trust's participation in clinical research, which in turn helped to attract good staff to the area. There was agreement that the Quality Accounts would be considered again in six months time to review progress against the highlighted priorities

Telford & Wrekin Health and Adult Care Scrutiny Committee

The Telford and Wrekin Membership of the Joint Health Scrutiny Committee is a sub-committee of the Health and Adult Care Scrutiny Committee. The main focus of the work of the Joint Health Overview and Scrutiny Committee during 2013/14 has been the need to reconfigure health services to reduce the demand on the acute hospital and the role of the community hospitals in achieving this. During the summer of 2013 the Committee raised concerns about the sustainability of some services across the two hospital sites in the county.

The Committee has welcomed the approach of the local health economy which has resulted in the Future Fit Programme. The Shrewsbury and Telford Hospital NHS Trust has engaged particularly well with the Committee and has responded constructively to both being held to account for the services currently provided and the process to plan services for the future. The Committee has sought assurance that the plans being developed through Future Fit are aligned to other strategic programmes for example the Better Care Fund.

The Committee has been assured that the outcomes for stroke patients has improved following the temporary centralisation of stroke services at the Princess Royal and had received an update on the transfer of women's and children's services.

An ongoing concern for the Committee has been to ensure that patients with mental health issues who are receiving care at in an acute setting for a physical illness receive appropriate care and therefore welcome that this has been identified as a priority for 2014/15. The Committee has recommended that better partnership working between the Royal Shrewsbury Hospital NHS Trust and the South Staffordshire and Shropshire NHS Trust would improve outcomes for these patients and their families. The Chair of the Committee has been informed of the Mental Health Crisis Care Concordat which will inform the Committee's scrutiny of this issue.

When considering the Trusts Travel and transport plan the Committee has also recommended that this includes transport to the acute mental health facility at the Redwood Centre.

The Chair of the Scrutiny Committee recognised that the target set to reduce the number of falls should be challenging but achievable.

Shropshire Clinical Commissioning Group

Shropshire CCG is pleased to have the opportunity to comment on this Quality Account. In partnership with Telford and Wrekin CCG and other organisations, we continually monitor the quality of the services delivered by the Trust. This is done by utilising a range of methods, including announced and unannounced quality and safety visits and the review and triangulation of data from a number of sources. We believe that this Quality Account is a balanced and accurate record of the organisations key quality challenges and improvements during 2013/14. The CCG is pleased to note in the priorities for 2014/15 the continued commitment of the Trust to 'Strive to reduce harm to patients and continue to learn from examples of where the

care provided could have been better' and also so to improve the patient journey and experience. The CCG looks forward to receiving progress reports during the coming year and to continued partnership working with the Trust

Accuracy of Information contained with the Quality Account 2013/14

The CCG has taken the opportunity to check the accuracy of data presented in the draft document in relation to locally commissioned services and believes it to be a factual account.

Montgomeryshire Community Health Council

As you will be aware Jo Banks, Acting Deputy Director of Nursing and Nick Holding, Quality Improvement Programme Manager attended Montgomery Community Health Council's meeting on 14th May. Their presence was very helpful to the Council's discussion.

Your colleagues explained the approach being taken by the Shrewsbury and Telford Hospital NHS Trust to develop a separate quality account reporting mechanism in respect of the NHS Wales standards applying to patients whose services are commissioned from you by Powys Teaching Health Board. Montgomeryshire CHC welcomes this approach as part of the Council's function to monitor and scrutinise on behalf of the population it represents.

Consequently, in respect of the NHS Trust's Quality Account for 2013/14, Montgomery CHC will not offer any comment. However as indicated in paragraph above, the CHC is looking forward to the revised format for 2014/15 and will provide comment upon the draft in 2015.

Trusts response to feedback from stakeholders

In response to comments from external stakeholders, the Trust has made a small number of amendments to this year's Quality Account.

As with previous year's we have strived to make this year's Quality Account more readable and clearer. We plan to distribute to a greater number of public areas such as Leisure Centres, GP surgeries and civic buildings.

Following interim feedback from stakeholder groups, we have made the following amendments to the Quality Account.

- We have updated the glossary to reflect additional abbreviations used within the Quality Account and removed unnecessary ones.
- We have included more detail relating to the CQC Essential Standards, and amended some terminology based on suggestions and advice.
- We have provided further clarification on the Key Performance Indicators

The Trust will endeavour to act upon all stakeholder feedback in order to attain year on year improvements to the Quality Account.

We have produced a summary version of the Quality Account, which is available on request



INDEPENDENT AUDITORS' LIMITED ASSURANCE REPORT TO THE DIRECTORS OF THE SHREWSBURY AND TELFORD HOSPITAL NHS TRUST ON THE ANNUAL QUALITY ACCOUNT

We are required by the Audit Commission to perform an independent assurance engagement in respect of The Shrewsbury and Telford Hospital NHS Trust's Quality Account for the year ended 31 March 2014 ("the Quality Account") and certain performance indicators contained therein as part of our work under section 5(1)(e) of the Audit Commission Act 1998 ("the Act"). NHS trusts are required by section 8 of the Health Act 2009 to publish a quality account which must include prescribed information set out in The National Health Service (Quality Account) Regulations 2010, the National Health Service (Quality Account) Amendment Regulations 2011 and the National Health Service (Quality Account) Amendment Regulations 2012 ("the Regulations").

Scope and subject matter

The indicators for the year ended 31 March 2014 subject to limited assurance consist of the following indicators:

- Percentage of patients risk-assessed for veneous thromboembolism (VTE); and
- Rate of clostridium difficile infections.

We refer to these two indicators collectively as "the indicators".

Respective responsibilities of Directors and auditors

The Directors are required under the Health Act 2009 to prepare a Quality Account for each financial year. The Department of Health has issued guidance on the form and content of annual Quality Accounts (which incorporates the legal requirements in the Health Act 2009 and the Regulations).

In preparing the Quality Account, the Directors are required to take steps to satisfy themselves that:

- the Quality Account presents a balanced picture of the trust's performance over the period covered;
- the performance information reported in the Quality Account is reliable and accurate;
- there are proper internal controls over the collection and reporting of the measures of performance included in the Quality Account, and these controls are subject to review to confirm that they are working effectively in practice;
- the data underpinning the measures of performance reported in the Quality Account is robust and reliable, conforms to specified data quality standards and prescribed definitions, and is subject to appropriate scrutiny and review; and
- the Quality Account has been prepared in accordance with Department of Health guidance.

KPMG Limited Assurance Audit report (cont.)



The Directors are required to confirm compliance with these requirements in a statement of directors' responsibilities within the Quality Account.

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:

- the Quality Account is not prepared in all material respects in line with the criteria set out in the Regulations;
- the Quality Account is not consistent in all material respects with the sources specified in the NHS Quality Accounts Auditor Guidance 2013/14 issued by the Audit Commission on 17 February 2014 ("the Guidance"); and
- the indicators in the Quality Account identified as having been the subject of limited assurance in the Quality Account are not reasonably stated in all material respects in accordance with the Regulations and the six dimensions of data quality set out in the Quidance.

We read the Quality Account and conclude whether it is consistent with the requirements of the Regulations and to consider the implications for our report if we become aware of any material omissions.

We read the other information contained in the Quality Account and consider whether it is materially inconsistent with:

- Board minutes for the period April 2013 to June 2014;
- papers relating to the Quality Account reported to the Board over the period April 2013 to June 2014;
- feedback from the Commissioners;
- feedback from Local Healthwatch;
- the Trust's complaints report published under regulation 18 of the Local Authority,
 Social Services and NHS Complaints (England) Regulations 2009;
- feedback from other named stakeholder(s) involved in the sign off of the Quality Account;
- the latest national patient survey;
- the latest national staff survey dated;
- the Head of Internal Audit's annual opinion over the Trust's control environment dated April 2014;
- the annual governance statement dated 5/6/2014;
- Care Quality Commission quality and risk profiles/intelligent monitoring dated 2013//2014;



We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with these documents (collectively the "documents"). Our responsibilities do not extend to any other information.

This report, including the conclusion, is made solely to the Board of Directors of The Shrewsbury and Telford Hospital NHS Trust in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 45 of the Statement of Responsibilities of Auditors and Audited Bodies published by the Audit Commission in March 2010. We permit the disclosure of this report to enable the Board of Directors to demonstrate that they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicators. To the fullest extent permissible by law, we do not accept or assume responsibility to anyone other than the Board of Directors as a body and The Shrewsbury and Telford Hospital NHS Trust for our work or this report save where terms are expressly agreed and with our prior consent in writing.

Assurance work performed

We conducted this limited assurance engagement under the terms of our appointment under the Audit Commission Act 1998 and in accordance with the Commission's Guidance. Our limited assurance procedures included:

- evaluating the design and implementation of the key processes and controls for managing and reporting the indicators;
- making enquiries of management;
- testing key management controls;
- limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation;
- comparing the content of the Quality Account to the requirements of the Regulations; and
- reading the documents.

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

Limitations

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

The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof,



may change over time. It is important to read the Quality Account in the context of the criteria set out in the Regulations.

The nature, form and content required of Quality Accounts are determined by the Department of Health. This may result in the omission of information relevant to other users, for example for the purpose of comparing the results of different NHS organisations.

In addition, the scope of our assurance work has not included governance over quality or non-mandated indicators which have been determined locally by The Shrewsbury and Telford Hospital NHS Trust.

Conclusion

Based on the results of our procedures, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2014:

- the Quality Account is not prepared in all material respects in line with the criteria set out in the Regulations;
- the Quality Account is not consistent in all material respects with the sources specified in the Guidance; and
- the indicators in the Quality Account subject to limited assurance have not been reasonably stated in all material respects in accordance with the Regulations and the six dimensions of data quality set out in the Guidance.

KPMG LLP, Statutory Auditor

KPMGUP

One Snowhill,

Snow Hill Queensway

Birmingham, B4 6GH

26 June 2014

Glossary

CHC: Community Health Council	Community Health Councils in Wales have a statutory role to represent the interests of the public in the health services in their district. See www.wales.nhs.uk/chc
Clinical Audit	Information about clinical audit, including a definition, is available in Section 2.2.2. See www.hqip.org.uk
Clinical Governance	Clinical Governance is defined as: "A framework through which NHS organisations are accountable for continually improving the quality of their services and safeguarding high standards of care by creating an environment in which excellence in clinical care will flourish" (A First Class Service: Quality in the New NHS, 1998).
Clinical Governance Strategy	This sets out our overall approach to clinical governance in the organisation.
Clinical Trials	A clinical trial is a particular type of research that tests one treatment against another. It may involve either patients or people in good health, or both. Small studies produce less reliable results so studies often have to be carried out on a large number of people before the results are considered reliable. See www.nhs.uk/Conditions/Clinical-trials and www.nihr.ac.uk
Commissioners	Commissioners are responsible for ensuring adequate services are available for their local population by assessing needs and purchasing services. Clinical Commissioning Groups (CCG) in England and Local Health Boards (LHBs) in Wales are the key organisations responsible for commissioning healthcare services for their area. Shropshire CCG, Telford and Wrekin CCG and Powys Teaching Health Board purchase acute hospital services from The Shrewsbury and Telford Hospital NHS Trust for the population of Shropshire, Telford & Wrekin and mid Wales. See www.shropshire.nhs.uk, www.telford.nhs.uk and www.powysthb.wales.nhs.uk
CPA: Clinical Pathology Accreditation	Clinical Pathology Accreditation: An external audit and assessment process for pathology services. See www.cpa-uk.co.uk
CQC: Care Quality Commission	The Care Quality Commission is the independent regulator of health and social care in England. It regulates health and adult social care services, whether provided by the NHS, local authorities, private companies or voluntary organisations. See www.cqc.org.uk
CQUIN: Commissioning for Quality and Innovation	A payment framework introduced in the NHS in 2009/10 which means that a proportion of the income of providers of NHS services is conditional on meeting agreed targets for improving quality and innovation. See www.institute.nhs.uk/cquin
DATIX	The Shrewsbury and Telford Hospital NHS Trust internal incident reporting tool
ISO 9000	The ISO 9000 family of standards is related to quality management systems and designed to help organisations ensure that they meet the needs of customers and other stakeholders while meeting statutory and regulatory requirements
Information Governance Toolkit	This is an tool to support NHS organisations to assess and improve the way they manage information, including patient information See www.igt.connectingforhealth.nhs.uk
KPI: Key Performance Indicators	A set of defined measures which show progress against the target
MDT	Multi Disciplinary Team—A group of health care professionals who provide different services for patients in a co-ordinated way
The second second	



	Methicillin-resistant Staphylococcus aureus (MRSA) is a bacterium responsible for several difficult-	
MRSA	to-treat infections.	
Never Events	Serious, largely preventable patient safety incidents that should not occur if the available preventative measures have been implemented.	
Overview and Scrutiny Committees Overview and Scrutiny Committees in local authorities have statutory roles and powers to relate the local health services. See www.shropshire.gov.uk and www.telford.gov.uk		
Patient Experience Reporting	We ask our patients to tell us about their experience of our services in a variety of ways. These include the CQC Annual Inpatient Survey our own internal surveys and the complaints and compliments we receive from patients and carers.	
PEIP	This stands for Patient Experience and Involvement Panel. This group brings together patients, carers, patient representatives and senior staff to make on-going improvements to patient care and experience.	
Pressure ulcers are also known as pressure sores, or bed sores. They occur when the skin and underlying tissue becomes damaged. In very serious cases, the underlying muscle and bone calso be damaged. See www.nhs.uk/conditions/pressure-ulcers		
PROMs	Patient Reported Outcome Measures - PROMs measure a patient's health status or health-related quality of life at a single point in time, and are collected through short, self-completed questionnaires.	
PSAG	Patient Status at a Glance. An SaTH developed electronic patient board which shows clinical teams what interventions the patient requires. Provides basis to manage demand and capacity.	
Quality and Safety Assurance Framework	This framework sets out how aspects of governance and safety are to be integrated into the Trust's arrangements and how quality will be continually improved and monitored.	
RCA	Root Cause Analysis. An investigation which takes place to find out the cause of a problem which has occurred	
Risk Management systems	These enable staff across the organisation to identify and report risks to the quality of care. The organisation is then better able to manage these risks, focusing on addressing those issues that are more likely to have a greater adverse impact on patient experience, safety and effectiveness.	
SaTH: The Shrewsbury and Telford Hospital NHS Trust	The Shrewsbury and Telford Hospital NHS Trust, the NHS organisation responsible for hospital services at the Princess Royal Hospital in Telford and the Royal Shrewsbury Hospital in Shrewsbury. We are the main provider of acute hospital services for around half a million people in Shropshire, Telford & Wrekin and mid Wales. See www.sath.nhs.uk	
Safety Thermometer	The NHS Safety Thermometer is a local improvement tool for measuring, monitoring and analysing patient harms and 'harm free' care	
Special Review	A special review is carried out by the Care Quality Commission. Each special review looks at themes in health and social care. They focus on services, pathways or care groups of people. A review will usually result in assessments by the CQC of local health and social care organisations, as well as supporting the identification of national findings.	
Trust Board	The Trust Board takes corporate responsibility for the organisation's strategies and actions. The chair and non-executive directors are lay people drawn from the local community and are accountable to the Secretary of State. The chief executive is responsible for ensuring that the board is empowered to govern the organisation and to deliver its objectives.	
VTE: Venous Thromboembolism	Venous thromboembolism (VTE) is a term that covers both Deep Vein Thrombosis (DVT, a blood clot in one of the deep veins in the body) and pulmonary embolism (where a piece of blood clot breaks off into the bloodstream and blocks one of the blood vessels in the lungs). See www.nhs.uk/conditions/deep-vein-thrombosis	

Acknowledgements

We would like to thank the following people for their contribution and generous feedback which has shaped this year's Quality Account.

- Health and Safety Manager
- Acting Deputy Director of Nursing & Quality
- Associate Director of Quality and Patient Experience
- Business Manager—Estates and Facilities
- Patient Safety Team Manager
- Chief Information Officer
- Complex Discharge Manager
- Deputy Head of Midwifery
- Lead Nurse, Women and Children Care Group
- Clinical Governance Manager
- Clinical Coding Manager
- R&D/Clinical Trials Manager
- Data Quality Manager
- Information Governance Manager
- Hygiene and Compliance Officer
- Communications Team
- Lead Midwife for Community Services
- Quality Improvement Programme Manager
- Members and contributors from the following groups
 - Shropshire Clinical Commissioning Group
 - Telford and Wrekin Clinical Commissioning Group
 - HealthWatch Telford & Wrekin
 - HealthWatch Shropshire
 - Shropshire and Telford & Wrekin, Health and Adult Social Care Scrutiny Committees
 - Montgomery Community Health Council (CHC)
 - Powys Teaching Health Board



Information about this Quality Account

Copies are available from www.sath.nhs.uk, by email (consultation@sath.nhs.uk) or in writing from:

Chief Executive's Office, The Shrewsbury and Telford Hospital NHS Trust, Princess Royal Hospital, Grainger Drive, Apley Castle, Telford TF1 6TF

Chief Executive's Office, The Shrewsbury and Telford Hospital NHS Trust, Royal Shrewsbury Hospital, Mytton Oak Road, Shrewsbury, Shropshire SY3 8XQ

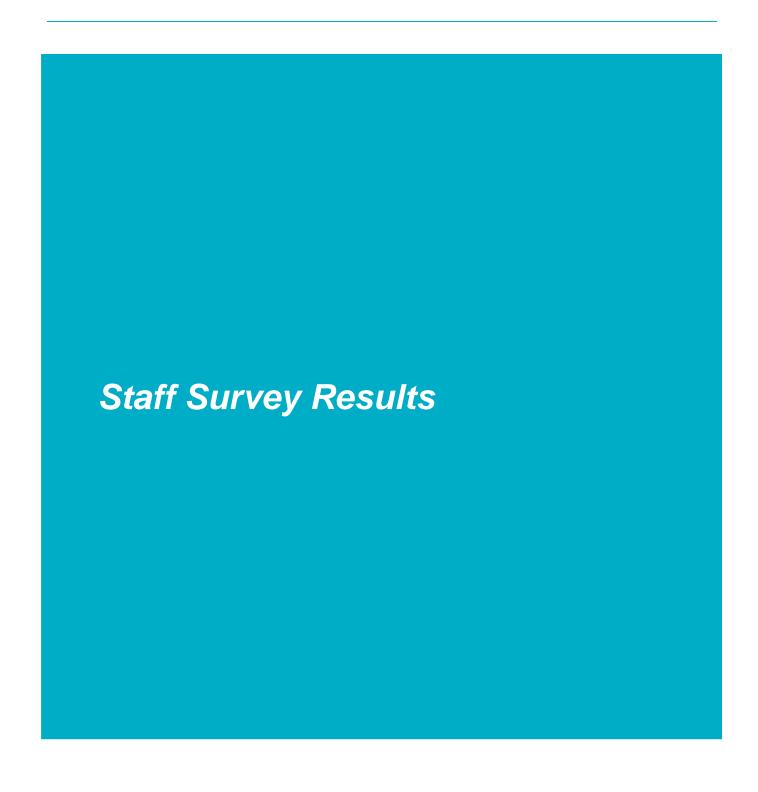
Our Quality Account is also available on request in large print. Please contact us at the address above or by email at consultation@sath.nhs.uk to request a large print version of the Quality Account.

Please also contact us if you would like to request a copy of our Quality Account in another community language for people in Shropshire, Telford & Wrekin and Mid Wales.

A glossary is provided at the end of this document to explain the main terms and abbreviations used in our Quality Account.

www.sath.nhs.uk

Appendix 2



Staff Survey Results

Table A2a Response Rate	2013			2012		
	SaTH		National Average for Acute Trusts	SaTH	National Average for Acute Trusts	Change
Response Rate		55%	48%	48%	56%	-1%

Table A2b Top 5 Improved Scores			
	2013	2012	Change
Agreed that they would recommend their organisation as a place to work	48%	41%	+6%*
Agreed that immediate line manager gives clear feedback on work	50%	45%	+6%*
Satisfied with the support received from immediate manager	60%	55%	+5%*
Agreed that patient / service user care is the organisation's top priority	55%	50%	+5%*
Appraisal left staff feeling that their work was valued	58%	53%	+5%*

Table A2c Top 5 Declined Scores			
	2013	2012	Change
Agreed that organisation encourages staff to report errors, near misses or incidents	80%	83%	-3%
Staff have had an appraisal / review in the last 12 months	77%	79%	-2%
Agreed that training helped do job more effectively	65%	66%	-1%
Staff saying that in an average week they have not worked additional PAID hours over and above their contracted hours	61%	62%	-1%
In the last three months had not felt pressure from colleagues to attend work when they had not felt well enough to perform their duties	74%	74%	-1%

^{*} indicates that the change in score is statistically significant

The Trust has identified staff engagement, appraisals and communication as priority areas for improvement. All clinical Care Groups and corporate directorates are developing local frameworks for action to support and engage their staff in delivering these priorities. Progress will be reviewed through Care Group and Directorate accountability meetings as well as through meetings of the Trust's Workforce Committee.

Appendix 3



Profile of staff employed by the Trust at 31 March 2014

Table A3a Age	31 March 2014	31 March 2014		
	Head Count	Percentage	Percentage	
16-20	33	1%	1%	
21-30	965	18%	17%	
31-40	1194	22%	23%	
41-50	1650	30%	30%	
51-60	1363	25%	24%	
61+	308	6%	5%	
Total	5513	100%		

Table A3b Disability	31 March 2014	31 March 2013	
	Head Count	Percentage	Percentage
Yes	130	2%	2%
No	3786	69%	66%
Not recorded/disclosed	1597	29%	32%
Total	5513	100%	

Table A3c Ethnicity	31 March 2014	31 March 2013	
	Head Count	Percentage	Percentage
Asian or Asian British	288	5%	5%
Black or Black British	67	1%	1%
Chinese or Other	108	2%	2%
Mixed	47	1%	1%
White	4911	89%	89%
Not recorded/disclosed	92	2%	2%
Total	5513	100%	

Table A3d Gender	31 March 2014	31 March 2013	
	Head Count	Percentage	Percentage
Female	4424	80%	80%
Male	1089	20%	20%
Total	5513	100%	

Table A3e Relationship Status	31 March 2014	31 March 2013	
	Head Count	Percentage	Percentage
Civil Partnership	11	0%	0%
Divorced	399	7%	7%
Legally Separated	58	1%	1%
Married	3238	59%	60%
Single	1584	29%	28%
Widowed	59	1%	1%
Not Recorded/Disclosed	164	3%	2%
Total	5513	100%	

Table A3f Religion/Culture	31 March 2014	31 March 2013	
	Head Count	Percentage	Percentage
Atheism	345	6%	5%
Buddhism	18	0%	0%
Christianity	2660	48%	47%
Hinduism	84	2%	2%
Islam	85	2%	1%
Judaism	4	0%	0%
Sikhism	19	0%	0%
Other	136	2%	2%
I do not wish to disclose	2162	39%	42%
Total	5513	100%	

Table A3g Sexual Orientation	31 March 2014	31 March 2013	
	Head Count	Percentage	Percentage
Bisexual	16	0%	0%
Gay	20	0%	0%
Heterosexual	3332	60%	58%
Lesbian	5	0%	0%
I do not wish to disclose	2140	39%	42%
Total	5513	100%	

Appendix 4



The tables below provide information about NHS Foundation Trust Membership

Table A4a Changes in membership	Public Constituency	Staff Constituency
	Head Count	Head Count
Members at 1 April 2013	8,853	5,272
New members joining during the year	995	1,135
Members leaving during the year	625	768
Members at 31 March 2014	9,223	5,639

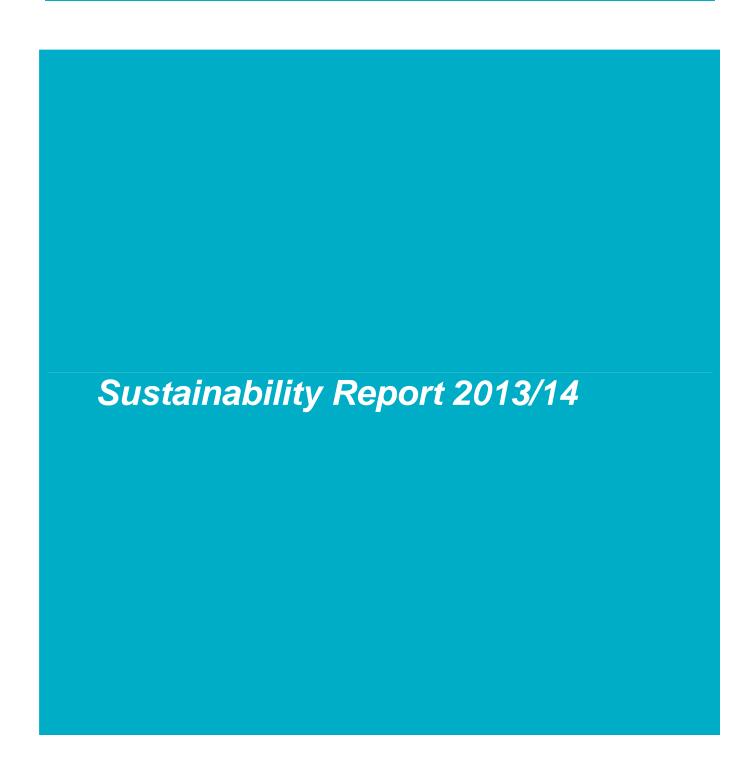
Table A4b Public membership by sub-constituency	Public Constituency
	Head Count
Powys	1,139
Telford and Wrekin	2,944
North Shropshire	1,676
South Shropshire	1,428
Central Shropshire	2,036

Table A4c Representativeness of public membership		Number of members	Eligible Members
		Head Count / Households	Head Count / Households
Age:	0-16	82	116,251
	17-21	435	34,302
	21+	8,397	453,518
Ethnicity	White	8,362	576,885
	Mixed	29	6,002
	Asian/Asian British	190	10,979
	Black/Black British	54	2,601
	Other	7	994
Socioeconomic grouping:	ABC1	2,500	37,533
	C2	2,578	49,045
	D	2,044	44,283
	E	2,019	43,678
Gender	Female	4,926	288,780
	Male	4,061	294,835

Notes:

- Whilst our minimum age for membership of the Trust is 14, the standard reporting template provided by Monitor the independent regulator of NHS Foundation Trusts requires the total population of "eligible members" aged 0 to 16 rather than solely those aged 14-16 who may be considered for membership under the Trust's draft Constitution.
- All data are based on headcount other than socioeconomic grouping data which are based on households.
- 309 members have not stated their date of birth. 581 members have not stated their ethnicity. 236 members have not stated their gender.

Appendix 5



The Department of Health provides a standard template for consistent reporting of sustainability information by NHS organisations. This Appendix provides the standard sustainability report for The Shrewsbury and Telford Hospital NHS Trust.

Introduction

Sustainability has become increasingly important as the impact of peoples' lifestyles and business choices are changing the world in which we live. In order to fulfil our responsibilities for the role we play, SaTH has the following sustainability mission statement located in our sustainable development management plan (SDMP):

"Healthcare with a kind touch and a small footprint."

Policies

In order to embed sustainability within our business it is important to explain where in our process and procedures sustainability features:

Table A5a	Embedding sustainability in our policies and processes	
Area	Is sustainability considered?	
Travel		
Procurement (environmental)	Yes (where the Trust's procurement team is involved in the process we will ask the evaluation	
Procurement (social impact)	team to consider these issues as appropriate)	
Suppliers' impact		

One of the ways in which an organisation can embed sustainability is through the use of a sustainable development management plan. The board approved our SDMP in the last 12 months so our plans for a sustainable future are well known within the organisation and clearly laid out.

A further way in which we measure our impact as an organisation on corporate social responsibility is through the use of the Good Corporate Citizenship (GCC) tool. The most recent Good Corporate Citizen self assessment took place in Q1 2013/14 with a score of 60 (from 0=worst to 100=best) which put is in the best 10% of Trusts nationally. Comparisons with previous years are not possible as the Good Corporate Citizen scoring system has been updated since the prior assessment.

Climate change brings new challenges to our business both in direct effects to the healthcare estates, but also to patient health. Examples of recent years include the effects of heat waves, extreme temperatures and prolonged periods of cold, floods, droughts etc. Our board approved plans address the potential need to adapt the delivery the organisation's activities and infrastructure to climate change and adverse weather events.

Performance: Organisation

Since the 2007 baseline year, the NHS has undergone a significant restructuring process and one which is still on-going. Therefore in order to provide some organisational context, the following table may help explain how both the organisation and its performance on sustainability has changed over time.

Table A5b	Context Info				
	2007/08	2011/12	2012/13	2013/14	
Floor Space (m ²)	105426	110291	110786	113023	
Number of Staff (wte)	3791	4521	4572	4645	

As a part of the NHS, it is our duty to contribute towards the goal set in 2009 of reducing the carbon footprint of the NHS by 10% (from a 2007 baseline) by 2015. It is our aim to supersede this target by reducing our carbon emissions. Here's how we have done:

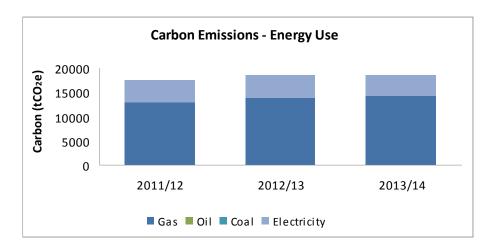
Energy: We have spent £3,096,422 on energy in 2013/14, which is a 5.5% increase on energy spend from last year.

Whilst we have managed to contain our energy usage throughout the year, our estate has also increased in size which, coupled with extensive building works, have contributed to additional energy usage. Overall expenditure on energy has also increased as a result of increases to market unit costs.

0% of our electricity use comes from renewable sources.

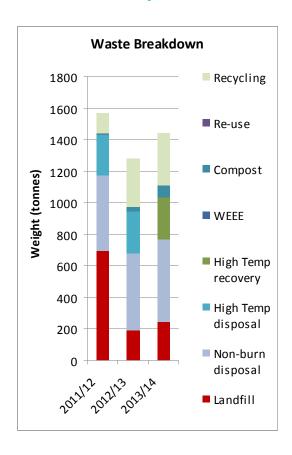
Energy usage has been contained primarily through maintenance of steam equipment and adjustment of Building Energy Management Systems. Trials of LED lighting are also underway.

Table A5c		Energy Use		
Resource		2011/12	2012/13	2013/14
Gas	Use (kWh)	63604311	67255326	66958293
Oas	tCO ₂ e	12997.541	13743.6259	14204.5323
Oil	Use (kWh)	296450	0	0
Oii	tCO ₂ e	94.5230825	0	0
Coal	Use (kWh)	0	0	0
Coai	tCO ₂ e	0	0	0
Electricity	Use (kWh)	7745140	8554939	7914137
Liectricity	tCO ₂ e	4340.37646	4883.24473	4431.20445
Total Energ	gy CO₂e	17432.4405	18626.8706	18635.7367
Total Energ	gy Spend	£ 2,643,476	£ 2,936,330	£ 3,096,422



Waste: Our overall waste has increased, primarily due to increased activity levels.

Table A5d	[Waste						
Туре		2011/12	2012/13	2013/14				
Recycling	(tonnes)	129	307	329				
rtooyomig	tCO₂e	2.71	6.45	6.91				
Re-use	(tonnes)	0	0	0				
THE USE	tCO ₂ e	0	0	0				
Compost	(tonnes)	0	31	75				
Composi	tCO ₂ e	0	0.19	0.45				
WFFF	(tonnes)	5.5	0	0				
VVLLL	tCO ₂ e	0.12	0	0				
High Temp	(tonnes)	0	0	268				
recovery	tCO₂e	0	0	5.63				
High Temp disposal	(tonnes)	260	265	0				
	tCO ₂ e	5.46	5.57	0				
Non- burn	(tonnes)	476	490	518				
disposal	tCO ₂ e	10.00	10.29	10.878				
Landfill	(tonnes)	695	190	248				
	tCO ₂ e	169.87	46.44	60.62				
Total Waste (tonnes)		1565.5	1283	1438				
% Recycled/Re-used		8.2%	26.3%	28.1%				
Total Waste tCO₂e		188.15	68.93	84.48				



A new domestic waste contract has been adopted part-way through the year. This includes off-site material recovery (of recyclables) and energy-from-waste disposal for the residual. Overall tonnages of waste have increased - primarily domestic (due to clearances as part of relocation of services) and 'alternative treatment' clinical waste - reflecting hospital activity levels.

The new domestic waste contract (implemented October 13), which includes off-site material recovery of recyclables and energy-from-waste for the residual, means that our disposal to landfill during the latter part of the year has reduced significantly. This has been partly offset however by significant office and ward relocations, resulting in additional waste.

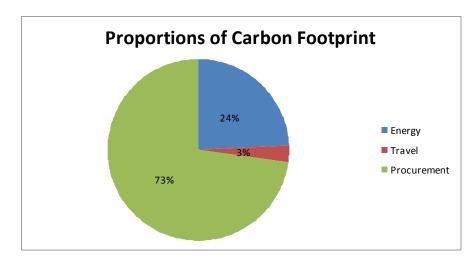
Water: Our water consumption has increased.

Table A5e		Water Use and Spend						
Туре		2011/12 2012/13		2013/14				
Mains	m ³	194023	193754	213724				
IVIAIIIS	tCO ₂ e	177	176	195				
Water & Sewage Spend		£384,464	£316,432	£417,003				

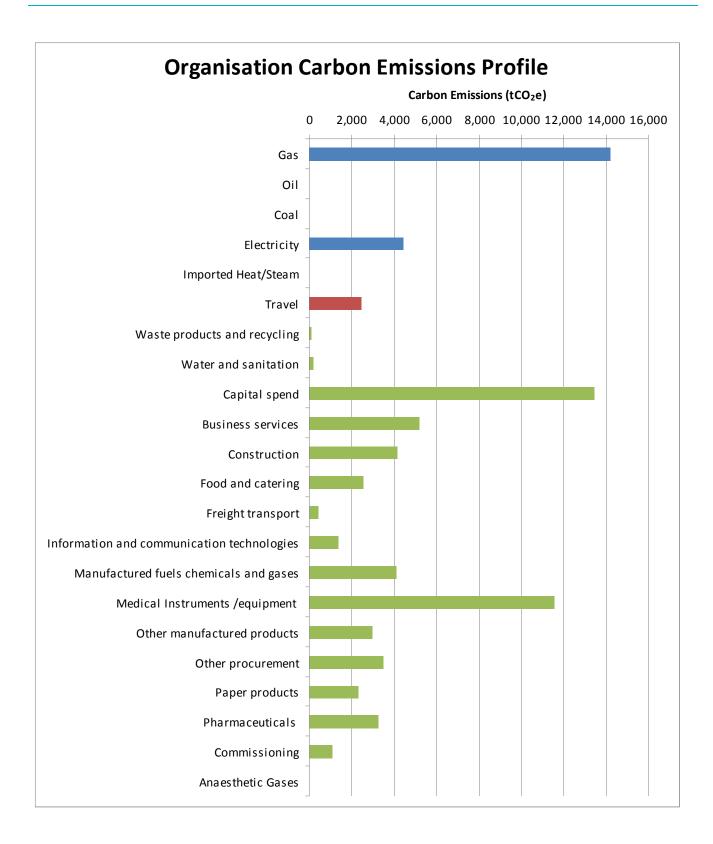
Water usage has increased partly due to extensive building works and also due to steam / boiler problems during the winter period.

The new Women and Childrens Unit opening in September 2014 incorporates water-saving sanitary equipment.

Modelled Carbon Footprint: Our estimated total carbon footprint is 78,187 tonnes of equivalent carbon emissions.



The information provided in the previous sections of this sustainability report uses the Estates Return Information Collection (ERIC) as its data source. However, we are aware that this does not reflect our entire carbon footprint. Therefore, we have also used a scaled model based on work performed by the NHS Sustainable Development Unit (SDU) in 2009/10. This results in an estimated total carbon footprint of 78,187 tonnes of equivalent carbon emissions of which 73% arise from our procurement activities, 24% from energy usage and 3% from travel. Our emissions profile is set out in more detail on the next page.



Appendix 6



The Shrewsbury and Telford Hospital NHS Trust Remuneration Tables for the Period Ended 31 March 2014

Table A6a Remuneration	Year Ended 31 March 2014					Year	Year Ended 31 March 2013					
	Salary	Expenses Payments (taxable)	Performance Pay and Bonuses	Long Term Performance Pay and Bonuses	All pension-related benefits	Total	Salary	Expenses Payments (taxable)	Performance Pay and Bonuses	Long Term Performance Pay and Bonuses	All pension-related benefits	Total
Name and Title	(bands of £5000) £000	Total to nearest £100 £00	(bands of £5000) £000	(bands of £5000) £000	(bands of £2500) £000	(bands of £5000) £000	(bands of £5000) £000	Total to nearest £100 £00	(bands of £5000) £000	(bands of £5000) £000	(bands of £2500) £000	(bands of £5000) £000
Professor Peter Latchford, Chairman from 01/11/13	10-15	-	-	-	-	10-15	-	-	_	-	-	-
Martin Beardwell, Non- Executive Director (Acting Chair from 18/09/12 to 30/10/13)	10-15	<u>-</u>	-	-	-	10-15	10-15	-	-	-	-	10-15
Dennis Jones, Non- Executive Director	5-10	-	-	-	-	5-10	5-10	-	-	-	-	5-10
Dr Simon Walford, Non- Executive Director	5-10	-	-	-	-	5-10	5-10	-	-	-	-	5-10
Dr Robin Hooper, Non- Executive Director from 26/09/12	5-10	-	-	-	-	5-10	0-5	-	-	-	-	0-5
Donna Leeding, Non- Executive Director from 16/09/13	0-5	-	-	-	-	0-5	-	-	-	-	-	-
Harmesh Darbhanga, Non- Executive Director from 16/09/13	0-5	_	_	_	_	0-5	_	_	_	-	_	_
Dr Peter Vernon, Non- Executive Director to 12/09/13	0-5	_	_	_	_	0-5	5-10	_	_	-	_	5-10
Peter Herring, Chief Executive from 06/09/12	185- 190	-	-	-	252.5- 255	440- 445	95- 100	-	_	_	127.5- 130	225- 230
Deborah Kadum, Chief Operating Officer from 17/12/12	110- 115	-	-	-	125- 127.5	235- 240	30-35	-	-	-	35- 37.5	65-70
Sarah Bloomfield, Acting Director of Nursing and Quality from 09/09/13	50-55	-	-	-	90- 92.5	145- 150	-	-	-	-	<u>-</u>	-
Vicky Morris, Chief Nurse / Director of Quality and Safety to 08/09/13	40-45	5	-	-	0-2.5	40-45	95- 100	20	-	-	(12.5- 15)	80-85
Dr Edwin Borman, Medical Director from 01/01/13	170- 175	-	-	_	267.5- 270	435- 440	-	_	_	_	<u>-</u>	_
Neil Nisbet, Finance Director	115- 120	17	-	-	10- 12.5	125- 130	110- 115	14	-	-	(20- 22.5)	90-95

Table A6b Pension Entitlements	Year Ended 31 March 2014							
	Real increase (decrease) in pension at age 60	Real increase in pension lump sum at aged 60	Total accrued pension at age 60 at 31/03/14	Lump sum at age 60 related to accrued pension at 31/03/14	Cash equivalent transfer value at 31/03/14	Cash equivalent transfer value at 31/03/13	Real increase (decrease) in cash equivalent transfer value	Employer's contribution to stakeholder pension
Name and Title	(bands of £2500) £000	(bands of £2500) £000	(bands of £5000) £000	(bands of £5000) £000	£000	£000	£000	£000
Peter Herring, Chief Executive from 06/09/12	10-12.5	35-37.5	95-100	295-300	- (*)	1,965	-	-
Dr Edwin Borman, Medical Director from 01/04/13	12.5-15	37.5-40	65-70	195-200	1,246	957	268	-
Deborah Kadum, Chief Operating Officer from 17/12/12	5-7.5	17.5-20	35-40	110-115	685	547	127	-
Neil Nisbet Finance Director	0-2.5	2.5-5	35-40	115-120	718	664	40	-
Vicky Morris, Chief Nurse / Director of Quality and Safety to 08/09/13	0.2.5	0-2.5	25-30	85-90	489	456	23	-
Sarah Bloomfield, Acting Director or Nursing and Quality from 09/09/13	2.5-5	12.5-15	15-20	50-55	219	156	60	-

- The tables above set out the salary and pension entitlements of senior managers, namely the directors who were voting members of the Trust Board during the year.
- Shortly after year-end the Chief Executive exercised his right in accordance with NHS Terms and Conditions and the Trust's retirement policy (HR19) to retire from the NHS and request to continue working (paragraph 8.2), which was accepted by the Trust Board. This means that from 2014/15 the Chief Executive is no longer a contributing member of the NHS Pension Scheme.
- Remuneration figures represent actual remuneration rather than full-year effect.
- * CETV calculation is not applicable as member is above normal retirement age.

Appendix 7

Annual Accounts 2013/14

Statement of the Chief Executive's Responsibilities as the Accountable Officer of The Shrewsbury and Telford Hospital NHS Trust

The Chief Executive of the NHS Trust
Development Authority 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 the NHS Trust
Development Authority. 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.

Peter Herring
Chief Executive
5 June 2014

Peta Duris

Annual Governance Statement

1 Scope of Responsibility

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of The Shrewsbury and Telford Hospital NHS Trust policies, aims and objectives. I also have responsibility for safeguarding quality standards, public funds and the organisation's 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 acknowledge my responsibilities as set out in the NHS Accountable Officer Memorandum, including recording the stewardship of the organisation to supplement the annual accounts.

In the delivery of my responsibilities and objectives, I am accountable to the Board and my performance is reviewed regularly and formally by the Chairman on behalf of the Board. During 2013/14, the organisation routinely reported on financial, operational, and strategic matters to the Trust Development Authority (TDA). Meetings were held with senior officers at the TDA in relation to performance and the Trust's trajectory towards achieving foundation trust status during 2013/14 under the Accountability Framework.

2 The governance framework of the organisation

2.1 The Board Committee Structure

The Trust Board has overall responsibility for the activity, integrity, and strategy of the Trust and is accountable, through its Chair, to the TDA. Its role is largely supervisory and strategic, and it has the following key functions:

- To set strategic direction, define Trust objectives and agree Trust operating plans
- To monitor performance and ensure corrective action is taken where required
- To ensure financial stewardship
- To ensure high standards of corporate and clinical governance
- To appoint, appraise and remunerate directors
- To ensure dialogue with external stakeholders

The Director of Corporate Governance is the Trust Secretary and provides senior leadership in corporate governance. The Board approves an annual schedule of business and a monthly update which identifies the key reports to be presented in the coming quarter. Exception reports to the Board ensure that the Board considers the

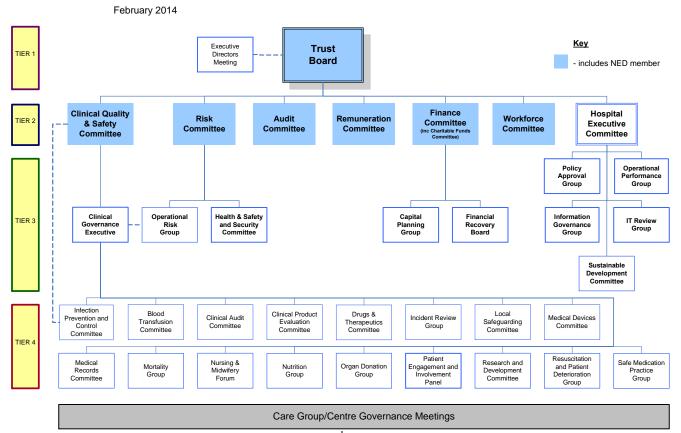
key issues and makes the most effective use of its time. The Trust Board met a total of twelve times in public during the year and Board papers are published on the Trust website.

Trust Board Attendance	Year Ended 31/03/14				
Name and Title	Attendance				
Peter Latchford Chairman	4 of 4 From November 2013				
Martin Beardwell Non-Executive Director (Acting Chair)	8 of 8 To October 2013				
Harmesh Darbhanga Non-Executive Director	5 of 6 From September 2013				
Dr Robin Hooper Non-Executive Director	8 of 12				
Dennis Jones Non-Executive Director	10 of 12				
Donna Leeding Non-Executive Director	5 of 6 From September 2013				
Dr Peter Vernon Non-Executive Director	3 of 6 To September 2013				
Dr Simon Walford Non-Executive Director	12 of 12				
Peter Herring Chief Executive	11 of 12				
Sarah Bloomfield Acting Director of Nursing & Quality	7 of 7 From September 2013				
Dr Edwin Borman Medical Director	11 of 12				
Debbie Kadum Chief Operating Officer	11 of 12				
Vicky Morris Chief Nurse	5 of 5 To September 2013				
Neil Nisbet Finance Director The Trust's Standing Order	12 of 12				

The Trust's Standing Orders, Standing Financial Instructions and Reservation and Delegation of Powers were updated in June 2013 to take account of changes to the Trust's governance arrangements and legislation. The Standing Orders were adhered to throughout the year and no suspensions were recorded.

The Trust's policy on Standards of Business conduct was revised in year to take account of new requirements following the enactment of The Bribery Act (2010). The policy includes amendments from our Local Counter Fraud Specialist to clarify the requirements on declaration of gifts who recommended that the requirement to declare interests be extended to wider groups of staff. This

SaTH Committee Structure



recommendation has been implemented. The Board's Register of Interests was kept updated during the year.

2.2 Board Performance

Membership of the Board of Directors is made up of the Trust Chair, seven independent Non-Executive Directors, and five Executive Directors (including the Chief Executive). The past year has been one of rebuilding and consolidation for the Trust Board, with one Executive Director and three Non-executive Director posts being recruited into during 2013/14. The Trust was without a substantive Chair for over a year, until the agency responsible for making appointments to NHS Trust Boards (the NHS Trust Development Authority), identified Professor Peter Latchford as a suitable and desirable candidate. After commencing in November, the Chair is now leading on a comprehensive five-year programme of development for the Board.

Directors are required to adhere to the highest standard of conduct in the performance of their duties. In respect of their interaction with others, the Trust Board operates under an explicit Code of Conduct, which is part of SaTH's FT Constitution and compliant with the NHS Foundation Trust Code of Governance (2013). The Board of Directors of the Trust are required to agree and adhere to the commitments set out in the Code of Conduct, which

includes the principles set out by the Nolan Committee on Standards in Public Life. Once appointed, Board Members are required to sign a declaration to confirm that they will comply with the Code in all respects.

2.3 Board Committees

The Board has overall responsibility for the effectiveness of the governance framework and requires that each of its sub-committees has agreed terms of reference which describes the duties, responsibilities and accountabilities, and describes the process for assessing and monitoring effectiveness. The Board has standing orders, reservation, and delegation of powers and standing financial instructions in place which are reviewed annually.

The Board operates with the support of four standing Committees and three executive committees accountable to the Trust Board. The chairs of each of the subcommittees routinely present written and verbal reports to the Board highlighting key issues and decisions at their meetings. Approved minutes of each sub-committee area also presented at public Board meetings. All meetings were quorate during the year.

Two of the standing Committees are Non-Executive Committees (Audit, Remuneration). Although these Committees have a membership consisting of only Non-

Executive Directors, other Directors will attend as required.

The Audit Committee is the senior Board committee responsible for oversight and scrutiny of the Trust's systems of internal control and risk management. It ensures that there are effective internal audit arrangements in place that meet mandatory NHS Internal Audit Standards and provides independent assurance to the Board. The Committee reviews the work and findings of External Audit and maintains oversight of the Trust's Counter Fraud arrangements. Attendance through the year was in line with the requirements of the Terms of Reference. The Audit Committee met 6 times during 2013/14. It was chaired by a Non-Executive Director, who submits a regular report to the Trust Board.

Items brought to the attention of the Board included:

- Concern was expressed at the potential impact of the outcome of the contract negotiations on our risk profile and the concomitant effect on the findings of our auditors. The Committee felt a more open and transparent approach to contract discussions would be a useful area for a future meeting of the Tri-partite Board meeting to examine in order to ensure that quality diligence was applied as well as financial diligence
- The 18 week RTT Audit and the Finnamore Follow-up audit, which both received limited assurance and highlighted that whilst good work and clear protocols and understanding were in place in the Patient access Centre (PAC) this left roughly 40% of activity without such a robust framework. It was noted that these audits will be followed up by Finance Committee and the Booking & Scheduling Board, but until process and systems are firmly in place, with adequate staff training, this continues to be a risk for the Trust and the rigour within PAC needs to be built upon.

Two other Committees are chaired by a Non-Executive Director, (Finance (including charitable funds), and Quality and Safety). Minutes of these meetings demonstrate that Non-Executive Directors oversee progress and provide challenge to the Directors.

The remaining three Committees (Hospital Executive Committee, Risk Committee and Workforce Committee) are executive in nature.

The Risk Committee is a quarterly committee with NED membership. It is chaired by the Chief Executive. It is responsible for providing leadership for the co-ordination and prioritisation of clinical, non-clinical, and organisational risk, ensuring that all significant risks are properly considered and communicated to the Trust Board. The Committee provides assurance to the Trust Board that the systems for risk management and internal control are effective.

2.4 Corporate Governance

Work continues to assure compliance with the Board Governance Assurance Framework; (mandated as part of the Foundation Trust development process), to ensure the Trust Board is fit to lead the organisation towards achieving Foundation Trust status and beyond. To this end, our memorandum self-assessing the Board's current capacity and capability, supported by appropriate evidence, achieved 'substantial assurance' when assessed and reported by the Trust's internal auditor, Deloitte, in March.

Through its governance arrangements and the reviews undertaken by Deloitte and the construction of the Board Governance Memorandum, I am assured that the Trust complies with the HM Treasury/Cabinet Office Corporate Governance Code and does not have any significant departures from the Code.

2.5 Quality Governance

The Acting Director of Nursing and Quality has delegated responsibility for Quality. The Quality Improvement Strategy was updated by the Trust Board in June 2013 to ensure it continues to be an iterative document supporting continuous Quality Improvement.

The performance of Quality has been monitored closely by the Board with detailed, monthly reviews part of the role of the Quality and Safety Committee. The Trust has worked with clinical staff to establish Key Performance Indicators to monitor quality from the ward to the Board.

The annual clinical audit plan is linked to the Trust priorities and risks and is monitored by the Clinical Audit Committee, which reports to the Quality and Safety Committee. A patient panel was established in 2013 which enables suitably trained patients and members of the public to undertake clinical audits. A

All serious incidents are reported to Commissioners and to other bodies in line with current reporting requirements. Root cause analysis is undertaken with monitored action plans. There were no 'never events' reported in 2013/14.

During 2013/14, the Trust maintained a system to provide a 'Ward-to-Board' view of compliance with the CQC outcomes which requires individual areas to assess their performance against the CQC Outcomes which aggregate up to Care Group and Trust level. The Care Quality Commission introduced a new quarterly Intelligent Monitoring Report to replace their Quality and Risk Profile in October 2013. These reports have highlighted some areas of risk; however the Trust was aware of, and taking action to mitigate these risks which included compliance with all nine standards of care measured within the National Hip Fracture Database; referral to treatment times; and one item from both the inpatient and staff survey.

During the year the Trust was subject to two separate assessments by the CQC. In April 2013 an unannounced inspection was carried out at Princess Royal Hospital

where the Trust was judged not be to be meeting the required standards for outcomes 1 and 4. ('Respecting and involving people who use services' and 'Care and welfare of people who use services') The CQC inspected the Royal Shrewsbury Hospital in October 2013 and made a number of observations across 6 wards which resulted in notification that 3 of the 5 health care outcomes reviewed were not being fully met ('Consent', 'Complaints'; and 'Records'). The CQC identified areas where care needed to be improved. Progress against the actions and measurement of improvement are considered by the Clinical Governance Committee with the Quality and Safety Committee managing the line of accountability.

The 2013/14 Quality Account is currently in preparation and the content and two of the indicators will be reviewed by External Audit to provide some assurance on the accuracy of the account.

2.6 Arrangements for the discharge of statutory functions

The Civil Contingencies Act 2004 (Contingency Planning) (Amendment) Regulations 2012 made changes to the way Civil Contingencies requirements are delivered. This resulted in NHS England producing a set of Emergency Preparedness, Resilience and Response (EPRR) core standards for Trusts. The requirement was set out for NHS Trusts to identify an Accountable Emergency Officer. In this Trust the Chief Operating Officer (COO) is the Accountable Officer. In October 2013 the Trust was required by NHS England to submit a compliance statement set against the EPRR Core Standards to their Area Team. The November Board approved the Trust's assessment of its current status of compliance against the core standards, along with an implementation plan and associated quarterly monitoring.

The Trust has met its legal requirements for exercise and testing under the Civil Contingencies Act.

The Trust continues to work with the Shropshire and Staffordshire Area Team of NHS England, the Local Health Resilience Partnership (LHRP) and other responders within the local community to ensure continuity of robust EPRR.

Control measures are in place to ensure that all the organisation's obligations under equality, diversity, and human rights legislation are met. Equality Impact Assessment forms part of the Trust documentation for policy creation and ensures all policies are assessed.

Control measures are in place to ensure that patients, the public, and staff with disabilities are able to access buildings on the Trust's sites. All new estates schemes, as well as refurbishments, or ad-hoc improvements, are assessed to ensure that they meet the requirements of the Disability Discrimination Act.

As an employer, with staff entitled to membership of the NHS Pension scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are met. This includes ensuring that

deductions from salary, employer's contributions, and payments in to 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.

A Sustainable Development Management Plan/Strategy was approved by Trust Board in March 2014. The Strategy outlines a vision and three goals based on the challenges that factor in the environmental impact of the health and care system and the potential health cobenefits of minimising this impact. The five year action plan incorporates the requirement of the Good Corporate Citizen initiative.

There is a Carbon Reduction Strategy and action plan approved by the Board. Good progress has been made year on year and is reported to the Board annually. The Trust has undertaken risk assessments and Carbon Reduction Delivery Plans are in place in accordance with emergency preparedness and civil contingency requirements, as based on UK Climate Impact Programmes (UKCIP) 2009 weather projects, to ensure that the organisation's obligations under the Climate Change Act and the adaptation Reporting requirements are complied met.

3 Risk Assessment

The Trust's Risk Management Strategy is updated and approved each year by the Trust Board. The Strategy describes an integrated approach to ensure that all risks to the achievement of the Trust's objectives, are identified, evaluated, monitored, and managed appropriately. It defines how risks are linked to one or more of the Trust's strategic or operational objectives, and clearly defines the risk management structures, accountabilities, and responsibilities throughout the Trust.

Risk assessment is a key feature of all normal management processes. All areas of the Trust have an ongoing programme of risk assessments, which inform the local risk registers. Risks are evaluated using the Trust risk matrix which feeds into the decision making process about whether a risk is considered acceptable. Unacceptable risks require control measures and action plans to reduce them to an acceptable level. The risk registers are reviewed regularly and if a risk cannot be resolved at a local level, the risk can be escalated through the operational management structure to the Risk Committee or ultimately to the Trust Board. Each risk and related action has an identified owner who is responsible for monitoring and reporting on the risk to the appropriate committee(s) and for implementing changes to mitigate the risk in a specified timeframe

The Chief Executive chairs the Risk Committee, and the other Directors with delegated responsibility for risk management sit on this committee which is the Board sub-committee responsible for managing risk and reviewing the Board Assurance Framework (BAF).

The BAF enables the Board to undertake focused management of the principal risks to achievement of the organisations objectives. There is a schedule of associated action plans for each key risk which identifies the date and Committee of last presentation. Progress against mitigating these principal risks is proactively monitored and reported to Trust Board.

The BAF risks during the year were:

- If we do not deliver safe care then patients may suffer avoidable harm and poor clinical outcomes and experience. This risk has improved during the year with good clinical outcomes reported in the CQC Intelligent Monitoring report and reductions in pressure ulcers and complaints.
- If we do not implement our falls prevention strategy then patients may suffer serious injury.
 This risk has improved during the year with a statistically significant reduction in the number of patient falls.
- Risk to sustainability of clinical services due to potential shortages of key clinical staff. This risk was newly identified in March 2014 and is a significant issue for the Trust. The risk relates to risks of staffing gaps in key clinical areas for which the longer term plan is being developed through NHS Future Fit. One of the key drivers for NHS Future Fit is the difficulties in attracting staff to a split site service with onerous on-call commitments which, unless changes are made, is likely to struggle in future to meet key national standards and guidance.
- If we do not achieve safe and efficient patient flow and improve our processes and capacity and demand planning then we will fail the national quality and performance standards (significant issue). This risk has improved during the year, but remains an area of significant challenge for the Trust. In relation to the key national priorities, the Trust did not meet the access targets although performance improved over the year.
- If we do not have a clear clinical service vision then we may not deliver the best services to patients. A significant amount of work has taken place and a public consultation will take place in autumn 2015 led by the Commissioners.
- If we do not get good levels of staff engagement to get a culture of continuous improvement then staff morale and patient outcomes may not improve. The Trust values have been developed with staff and there was a high level of staff engagement with this work. The second annual leadership conference was well attended. There were a record number of nominations for staff awards and a number of initiatives are under way including the coaching scheme and the commissioning of an in-house management development programme.

- If we are unable to resolve our (historic) shortfall
 in liquidity & the structural imbalance in the
 Trust's Income & Expenditure position then we
 will not be able to fulfil our financial duties &
 address the modernisation of our ageing estate &
 equipment. Discussions have continued with the
 NTDA regarding the Trust's historic liquidity balance
 sheet position are ongoing to enable the Trust to
 progress its FT application.
- If Board members are not appointed in a timely fashion then this may impact on the governance of the Trust (resolved). With the appointment of the Medical Director, COO, new NEDs, and Chair in October, this risk has been resolved.

Data security

In line with the requirements of the Information Governance Toolkit, all staff are required to undergo annual IG training. As of March 31st 2014, 75% of staff had completed this training. This was a small improvement on 2012/13 but short of the 95% target set out within the toolkit.

Information Governance incidents are reported via the Trust's incident reporting system. There were 2 data lapses in the year which were classified as level 2 incidents (these are the incidents which are formally reported to the Information Commissioner)

- One incident related to a problem with the letter folding machine where the dial had been accidently set to fold 2 letters per envelope. This resulted in unauthorised disclosures. The machine has been adjusted so that this dial cannot be altered, and staff now count throughput and output to ensure this does not occur again.
- A near-miss incident occurred when a member of staff emailed over 5000 patient details to the newly established Commissioning Support Unit (CSU). This was non malicious and arose due to confusion over the new arrangements about sharing information with CSU/CCGs, and invoice validation. The team is now aware of the correct procedures which have been communicated to all relevant staff.

The Finance Director is the nominated Senior Information Risk Officer (SIRO) who is responsible along with the Medical Director as Caldicott Guardian, for ensuring there is a control system in place to maintain the security of information. The result of the Information Governance Toolkit Assessment provides assurance that this is being managed. The overall result for SaTH was 78% (Satisfactory). The Trust attained at least level 2 compliance in all 45 requirements.

4 The Risk and Control Framework

Risk Management is embedded within the organisation in a variety of ways including policies which require staff to report incidents via the web-based reporting system. The Annual Plan is agreed by the Trust Board and reported to the NHS England and the Trust Development Authority. This includes objectives, milestones, and action owners and is revised by the board quarterly.

Rigorous budgetary control processes are in place with robust management of Cost Improvement Plans. Outcomes are measured by monthly review of performance to the Board. The Quality and Safety Committee review Quality Impact Assessments required across all aspects of change, cost improvement programmes, or capital build prior to discussion at the Trust Board.

The organisation provides annual mandatory and statutory training for different levels of staff depending on their responsibilities as detailed in the Risk Management Training Policy. This includes risk awareness training which is provided to all staff as part of their mandatory corporate induction programme. Risk management awareness training was provided throughout 2013/14 at all levels of the organisation, including the Board.

The Integrated Performance Report is a standing Board agenda item. The report summarises the Trust's performance against all the key quality, finance, compliance, and workforce targets, and also contains the Board self certifications required to be submitted to the TDA in relation to Governance and Monitor Licence Conditions.

The Trust has a Local Counter Fraud Specialist (LCFS) whose work is directed by an annual workplan agreed by the Audit Committee. The LCFS has given presentations to groups of staff working in areas where they need to be particularly vigilant to the possibility of fraud (e.g. Facilities and Procurement). As well as investigating potential frauds, notified to the LCFS by the Trust, there have been proactive exercises to detect potential fraud including a spot check of the management of patient's property and money on the wards; and a review of the use of the e-rostering system in maternity services. Additionally the LCFS has commented on Trust policies as part of the review process: this was commended as best practice as part of the NHS Protect Quality Assessment in March 2014.

In the National Health Service Litigation Authority (NHSLA) General Standards the Trust currently holds level 1. The Trust achieved Clinical Negligence Scheme for Trusts (CNST) Level 3 in maternity in year.

The Head of Internal Audit provides an opinion on the overall arrangements for gaining assurance through the BAF, and on the controls reviewed as part of Internal Audit's risk-based annual plan. Internal Audit's review of the Trust's Assurance Framework gave substantial assurance and noted, "The implementation of prior year recommendations demonstrates the progress made by management to improve controls over the BAF and risk management."

During the year, Internal Audit reported on nine core audits and five performance audits. Internal Audit issued substantial assurance ratings for seven of the core audits and moderate assurance ratings for two core audits. These moderate assurance ratings related to budgetary control and asset maintenance and resulted in one high priority recommendation related to asset tracking and disposal. Actions to rectify this weakness are being implemented.

Although the budgetary control and cash management audits did not identify any control weaknesses, Internal audit raised concerns to the Chair of the Audit Committee, about the current and forecast financial position.

Limited assurance ratings were provided in four performance reviews, all of which were identified for audit due to Trust concerns:

- Falls Management: Four high priority
 recommendations made. These related to raising the
 profile of falls at ward level; consistent prioritisation of
 alls risks at all levels; updated Falls Group agenda;
 and escalating local root cause analysis actions to the
 Falls Group action plan if applicable. This is also an
 area which the local Health & Safety Executive have
 investigated and the Trust continues to help them with
 their enquiries.
- Complaints Management: Five high priority recommendations made. These related to appraisals for the complaints team; development of standing operating procedures; improved reporting; structured complaint team meetings; and development of a robust complaints tracking process.
- Performance Reporting and Follow up (Finnamore).
 Two high priority recommendations made. These related to mapping the outstanding Finnamore recommendations to the existing booking and scheduling action plan; and improving focus and pace of change.
- 18 week pathway (RTT). Four high priority
 recommendations made. These related to developing
 a plan for further centralisation of booking; developing
 a comprehensive 18 week training programme;
 agreeing a universal validation process; and carrying
 out a comprehensive review of SEMA rules.

Formal actions plans have been agreed to address the significant control weaknesses in these areas. There have been no common weaknesses identified through Internal Audit reviews.

The system of internal control has been in place in the Shrewsbury and Telford Hospital NHS Trust for the year ended 31 March 2014 and up to the date of approval of the annual report and accounts.

5 Significant issues

5.1 Progress on Significant Issues from 2012/13

In the 2012/13 Annual Governance Statement, the Trust disclosed three significant issues. Progress on these issues is outlined below.

5.1.1 Failure to meet national targets

In 2012/13 the Trust failed the 95% A&E target, the Referral to Treatment (RTT) targets, and the cancelled operations target. Although performance improved over the year, this has remained a significant issue (see section 5.2.1)

5.1.2 Number of serious falls

The Trust saw a statistically significant decrease in the number of falls during 2013/14. A comprehensive action plan to ensure ongoing reduction of falls and the impact/harm for patients was presented to the Trust Board in February 2013 with most of the identified actions now completed.

5.1.3 Liquidity

At the end of the 2012/13 financial year the Trust recorded a liquidity rating 2. This issue has remained challenging during 2013/14 and discussions continued with the NTDA regarding the Trust's historic liquidity balance sheet position. (see section 5.2.2)

5.2 Significant Issues for 2013/14

There are three significant issues to report.

5.2.1 Patient Flow and Access targets

Performance against the A&E, RTT and cancer waiting times targets is slowly improving but is also proving challenging.

- The A&E 4-hour target is 95%. In 2012/13 the Trust achieved 90.62% and this improved to 93.4% this year. Work is ongoing within the Emergency Centre to work with the capacity team and other specialties to develop plans to avoid patients spending longer than required within the Emergency Department [ED]. Internal actions are being reviewed to ensure appropriate escalation and flow of patients is managed accordingly. A Remedial Action Plan (RAP) is in place.
- For admitted Referral to Treatment (RTT), only 3 specialities out of 11 achieved the 90% target in March 2013; this improved to 6 specialities out of 11 in March 2014. A Remedial Action Plan (RAP) is in place for the 18 weeks targets and all specialties are on trajectory to achieve this target in accordance with the RAP, with the exception of ophthalmology where demand is increasing and outstripping capacity. The commissioners are aware of this and are working with the Trust to develop a solution.
- The Trust achieved the cancer standards in 2012/13 but this year, underperformed against two of the targets. The Trust achieved 93.35% for 31-day referral to treatment, against a target of 94%; and achieved 81.48% for 62-day referral to treatment against a

target of 85%. A Remedial Action Plan [RAP] is in place for cancer, which details the actions to be taken in the four challenged tumour sites, which are contributing to the non-performance of the 62-day standard. The Intensive Support Team [IST] has undertaken a review of cancer services. This review took place over two days in March with a draft report being completed by 28th March 2014. Once the report is received, the recommendations will be incorporated in to the RAP and will be monitored at the Cancer Board. The IST will be working with the clinical centres to review patient pathways so that we deliver all of the cancer standards from Quarter 2 in 2014/15.

5.2.2 Liquidity

In order to address a significant cash problem, the Trust requested temporary borrowing. The level of temporary borrowing requested amounted to £7.5 million which was repaid in full by March 2014. The Trust is working with the TDA to access a permanent funding solution. The 2014/15 cash plan has been constructed based upon an assumed income and expenditure deficit for the year of £8.2 million. There are particular challenges for the year ahead including the continued financial austerity across the country, the requirement from our commissioners to deliver significant efficiency savings, the transfer of funding through the Better Care Fund which will reduce the amount of overall funding available to hospitals linked to a country-wide expectation that investment will take place in the community to prevent the need for hospital admission and support timely transfer from hospital. Also, the continued additional costs faced by the Trust through duplication across two small hospital sites are not reflected within the "tariff" we receive through the national Payment By Results system and this reduces our ability to deliver the sort of efficiency savings that are needed to support that shift to community whilst also protecting the safety and sustainability of our hospital services.

Overall this means that the Trust is currently forecasting a deficit in each of the next three years (2014/15 to 2016/17) returning into in-year balance from 2017/18. This forecast relies on us managing the risks to our financial position whilst also seeking transitional support whilst the whole health system agrees a radical and affordable vision for the future with patients at its heart.

5.2.3 Public consultation on future of clinical services

The Trust is experiencing day-to-day difficulties in medically staffing some key areas and whilst most gaps are covered this is becoming an increasing struggle and often relies on factors such as consultants "working down" to provide the full level of medical support needed within acute hospitals; This was identified as a new risk in the Board Assurance Framework. These issues form part of the case for change for the NHS Future Fit programme. An independent review will be commissioned to provide assurance for the Trust Board. However there is a need to expedite the consultation in 2014 due to continuing challenges of providing some services across two sites.

Other factors include the need to move towards seven day working providing earlier access to senior clinical decision makers. Full implementation of seven day working will need radical changes in the way that acute hospital services are provided for our communities and a transition plan will be needed in some areas ahead of the conclusions of NHS Future Fit.

6 Conclusion

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed in a number of ways. The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance through the Assurance Framework and on the controls reviewed as part of the internal audit work. Executive managers within the organisation who have responsibility for the development and maintenance of the system of internal control provide me with assurance. The Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Trust Board, Audit Committee, Finance Committee, Clinical Quality and Safety Committee, Hospital Executive Committee, and Risk Committee. A plan to address weaknesses and ensure continuous improvement of the system is in place.

The Trust Board is responsible for ensuring that the Trust follows the principles of sound governance and this responsibility rests unequivocally with the Board. The Board is required to produce statements of assurance that it is doing its "reasonable best" to ensure the Trust meets its objectives and protect patients, staff, the public and other stakeholders against risks of all kinds. The Trust Board is able to demonstrate:

- That they have been informed through assurances about all risks not just financial.
- That they have arrived at their conclusions on the totality of risk based on all the evidence presented to them.

The Trust's ability to handle risk is further enhanced through the Governance and Committee/Group structure. Each Committee/Group has terms of reference that clearly define their role and responsibilities with clearly stated deputies.

The Trust Board has received assurance on the effectiveness of the controls within the organisation through the following means:

- Reports from Committees set up by the Trust Board
- Reports from Executive Directors and key managers
- External Reviews
- Board Assurance Framework.
- Internal Audit provide the Board, through the Audit Committee, and the Accounting Officer with an independent and objective opinion on risk management, control and governance and their effectiveness in achieving the organisation's agreed objectives. This opinion forms part of the framework of assurances that the Board receives. The annual Internal Audit Plan is aligned to the Trust's Assurance Framework and Risk Register.

The system of internal control has been in place at the Trust for the year ended 31 March 2014 and up to the date of approval of the Annual Report and Accounts.

Peter Herring, Chief Executive, 5 June 2014

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The Shrewsbury and Telford Hospital NHS Trust Annual Report and Annual Accounts 2013
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Foreword to the Accounts

These accounts for the year ended 31 March 2014 have been prepared by The Shrewsbury and Telford Hospital NHS Trust in accordance with the NHS Finance Manual: Manual for Accounts 2013/14

Peter Herring
Chief Executive
5 June 2014

Peter During

Annex to Appendix 7

Primary Financial Statements and Notes to the Accounts

Statement of Comprehensive Income for year ended 31 March 2014

	NOTE	2013-14 £000s	2012-13 £000s
		2000	20000
Gross employee benefits	10.1	(208,288)	(202,463)
Other operating costs	8	(103,133)	(98,332)
Revenue from patient care activities	5	291,954	275,812
Other Operating revenue	6 _	22,152	33,550
Operating surplus		2,685	8,567
Investment revenue	12	25	20
Other gains and (losses)	13	(2)	(5)
Finance costs	14 _	(20)	(30)
Surplus for the financial year		2,688	8,552
Public dividend capital dividends payable	_	(5,594)	(5,336)
Retained surplus/(deficit) for the year	_	(2,906)	3,216
Other Comprehensive Income		2013-14	2012-13
		£000s	£000s
Impairments and reversals taken to the Revaluation Reserve		(140)	(3,829)
Net gain on revaluation of property, plant & equipment		6,780	1,580
Total Comprehensive Income for the year	_	3,734	967
Figure is a sufference of so the conse			
Financial performance for the year		(0.000)	0.040
Retained surplus/(deficit) for the year		(2,906)	3,216
Impairments		3,170	2,148
Adjustments in respect of donated asset reserve elimination	_	(199)	(5,283)
Adjusted retained surplus	_	65	81

The Trust was able to record the surplus position as a consequence of delivering efficiency savings in year amounting to £13.6m and through the receipt of transitional funding support amounting to £4m from the NHS Trust Development Authority.

A Trust's Reported NHS financial performance position is derived from its retained surplus/(deficit) and adjusted for the following:-

Impairments to Fixed Assets - an impairment charge is not considered part of the organisation's operating position.

Adjustments relating to donated asset reserves which have now been eliminated.

PDC dividends have been overpaid or underpaid in aggregate, the amounts due to or from the Trust are:

PDC dividend: balance receivable at 31 March 2014	68	
PDC dividend: balance receivable at 1 April 2013		73

The notes on pages 6 to 43 form part of this account.

Statement of Financial Position as at 31 March 2014

or march 2014		31 March 2014	31 March 2013
	NOTE	£000s	£000s
Non-current assets:			
Property, plant and equipment	15	198,173	173,270
Intangible assets	16	1,232	1,330
Investment property	18	0	0
Other financial assets	24	0	0
Trade and other receivables	22.1	1,384	1,709
Total non-current assets		200,789	176,309
Current assets:			
Inventories	21	6,470	5,741
Trade and other receivables	22.1	12,010	10,910
Other financial assets	24	0	0
Other current assets	25	0	0
Cash and cash equivalents	26	2,200	2,200
Total current assets		20,680	18,851
Non-current assets held for sale	27	0	0
Total current assets		20,680	18,851
Total assets	_	221,469	195,160
Current liabilities			
Trade and other payables	28	(27,477)	(26,153)
Other liabilities	29	Ú	Ó
Provisions	35	(634)	(631)
Borrowings	30	Ú	Ú
Other financial liabilities	31	0	0
Total current liabilities		(28,111)	(26,784)
Net current liabilities		(7,431)	(7,933)
Non-current assets less net current liabilities		193,358	168,376
Non-current liabilities			
Trade and other payables	28	0	0
Other Liabilities	31	0	0
Provisions	35	(347)	(329)
Borrowings	30	0	0
Other financial liabilities	31	0	0
Total non-current liabilities	<u> </u>	(347)	(329)
Total Assets Employed:		193,011	168,047
FINANCED BY:			
TAXPAYERS' EQUITY			
Public Dividend Capital		174,801	153,571
Retained earnings		(30,392)	(27,486)
Revaluation reserve		48,602	41,962
Total Taxpayers' Equity:		193,011	168,047
. ota axpayoro Equity:		100,011	100,047

The notes on pages 6 to 43 form part of this account.

The financial statements on pages 2 to 5 were approved by the Board on 5 June 2014 and signed on its behalf by

Chief Executive: Date: 05 June 2014

Statement of Changes in Taxpayers' Equity For the year ended 31 March 2014

·	Public Dividend capital	Retained earnings	Revaluation reserve	Total reserves
	£000s	£000s	£000s	£000s
Balance at 1 April 2013 Changes in taxpayers' equity for 2013-14	153,571	(27,486)	41,962	168,047
Retained deficit for the year		(2,906)		(2,906)
Net gain / (loss) on revaluation of property, plant, equipment			6,780	6,780
Net gain / (loss) on revaluation of intangible assets			0	0
Net gain / (loss) on revaluation of financial assets Net gain / (loss) on revaluation of available for sale financial assets			0 0	0
Impairments and reversals			(140)	(140)
Transfers between reserves		0	0	(1-0)
Reclassification Adjustments		-	-	•
On Disposal of Available for Sale financial Assets			0	0
New PDC Received - Cash	28,730			28,730
PDC Repaid In Year	(7,500)			(7,500)
PDC Written Off	0	0	0	0
Other Movements Net recognised revenue/(expense) for the year	21,230	(2,906)	6,640	<u>0</u> 24,964
Balance at 31 March 2014	174,801	(30,392)	48,602	193,011
		(00,002)	10,002	
Balance at 1 April 2012 Changes in taxpayers' equity for the year ended 31 March 2013	145,622	(30,702)	44,211	159,131
Retained surplus for the year		3,216		3,216
Net gain / (loss) on revaluation of property, plant, equipment		,	1,580	1,580
Net gain / (loss) on revaluation of intangible assets			0	0
Net gain / (loss) on revaluation of financial assets			0	0
Net gain / (loss) on revaluation of assets held for sale			0	0
Impairments and reversals Movements in other reserves			(3,829)	(3,829) 0
Transfers between reserves		0	0	0
Release of reserves to Statement of Comprehensive Income		J	0	0
Reclassification Adjustments			-	-
On Disposal of Available for Sale financial Assets			0	0
New PDC Received	7,949			7,949
PDC Repaid In Year	0			0
PDC Written Off Other Mayorments in RDC In Year	0			0
Other Movements in PDC In Year Net recognised revenue/(expense) for the year	7, 949	3,216	(2.240)	8,916
Balance at 31 March 2013	153,571	(27,486)	(2,249) 41,962	168,047
Datance at 01 maion 2013	100,071	(21,700)	71,302	100,047

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED

31 March 2014

	NOTE	2013-14 £000s	2012-13 £000s
Cash Flows from Operating Activities			
Operating Surplus		2,685	8,567
Depreciation and Amortisation	8	9,493	9,332
Impairments and Reversals	8	3,170	2,148
Other Gains/(Losses) on foreign exchange		0	0
Donated Assets received credited to revenue but non-cash		0	(6,109)
Government Granted Assets received credited to revenue but non-cash		0	0
Interest Paid		0	0
Dividend Paid		(5,589)	(5,520)
Increase in Inventories		(729)	(392)
(Increase)/Decrease in Trade and Other Receivables		(780)	1,651
(Increase)/Decrease in Other Current Assets		0	0
Decrease in Trade and Other Payables		(3,164)	(2,132)
(Increase)/Decrease in Other Current Liabilities		0	0
Provisions Utilised	35	(415)	(331)
Increase in Provisions	35	416	315
Net Cash Inflow from Operating Activities		5,087	7,529
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received		25	20
Payments for Property, Plant and Equipment		(26,114)	(20,218)
Payments for Intangible Assets		(228)	(397)
Payments for Investments with DH		Ò	0
Payments for Other Financial Assets		0	0
Proceeds of disposal of assets held for sale (PPE)		0	6
Proceeds of disposal of assets held for sale (Intangible)		0	0
Proceeds from Disposal of Investment with DH		0	0
Proceeds from Disposal of Other Financial Assets		0	0
Rental Revenue		0	0
Net Cash Outflow from Investing Activities	-	(26,317)	(20,589)
NET CASH OUTFLOW BEFORE FINANCING	-	(21,230)	(13,060)
CASH FLOWS FROM FINANCING ACTIVITIES			
Public Dividend Capital Received		28,730	7,949
Public Dividend Capital Repaid		(7,500)	0
Loans received from DH - New Capital Investment Loans		Ó	0
Loans received from DH - New Revenue Support Loans		0	0
Other Loans Received		0	0
Loans repaid to DH - Capital Investment Loans Repayment of Principal		0	0
Loans repaid to DH - Revenue Support Loans		0	0
Other Loans Repaid		0	0
Capital grants and other capital receipts	_	0	6,109
Net Cash Inflow from Financing Activities	_	21,230	14,058
NET INCREASE IN CASH AND CASH EQUIVALENTS	·-	0	998
Cash and Cash Equivalents at Beginning of the Period	26	2,200	1,202
Effect of Exchange Rate Changes in the Balance of Cash Held in Foreign Currencies	_	0	0
Cash and Cash Equivalents at year end	26	2,200	2,200

NOTES TO THE ACCOUNTS

1. Accounting Policies

The Secretary of State for Health has directed that the financial statements of NHS trusts shall meet the accounting requirements of the NHS Trusts Manual for Accounts, which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the 2012-13 NHS Manual for Accounts issued by the Department of Health. The accounting policies contained in that manual follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the NHS Trusts Manual for Accounts permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the trust for the purpose of giving a true and fair view has been selected. The particular policies adopted by the trust are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

Whilst the Trust is aiming for a break even position for the year ended 31 March 2014, the recurrent nature of the financial position has led the Board to agree a deficit plan of £8.2m for the 2014/15 financial year. In so doing, the Directors have considered the impact of incurring a deficit in terms of cash flow and have included a requirement for additional cash borrowing of £8.2m in the annual NHS Trust Development Agency (NTDA) plan submission.

The Board of Directors has concluded that the Trust is able to demonstrate that it is a going concern on the following basis:

- The Department of Health and NHS Trust Development Agency will confirm to the Trust arrangements for accessing cash financing for organisations that have submitted a deficit plan for 2014/15. The NTDA's Accountability Framework sets out the process where an NHS Trust will be assisted to develop and agreement of a formal recovery plan to address deficit positions.
- The Trust has received a letter from the NTDA stating that it can confirm that it is reasonable for the Directors of Shrewsbury and Telford Hospital NHS Trust to assume that the NHS Trust Development Authority will make sufficient cash financing available to the organisation over the next twelve month period such that the organisation is able to meet its current liabilities. On this basis they fully support the Trust's view that the NHS organisation Accounts are prepared on a Going Concern basis.
- Robust arrangements are in place for the delivery of cost improvement plans through Executive Director meetings.

1.1 Accounting convention

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

1.2 Acquisitions and discontinued operations

Activities are considered to be 'acquired' only if they are taken on from outside the public sector. Activities are considered to be 'discontinued' only if they cease entirely. They are not considered to be 'discontinued' if they transfer from one public sector body to another.

1.3 Movement of assets within the DH Group

The Trust had no transfers of assets and liabilities from those NHS bodies that closed on 1 April 2013.

1.4 Charitable Funds

For 2013-14, the divergence from the FReM that NHS Charitable Funds are not consolidated with NHS Trust's own returns is removed. Under the provisions of IAS 27 Consolidated and Separate Financial Statements, those Charitable Funds that fall under common control with NHS bodies should be consolidated within the entity's financial statements where material. The Trust considers transactions, assets and liabilities of the NHS Charity are immaterial in 2013-14 but this will be assessed annually depending on the NHS Trust's accounts as well as the NHS Charity's accounts.

1.5 Pooled Budgets

The Trust has no pooled budget arrangements.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.6 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

1.6.1 Critical judgements in applying accounting policies

The management has had to make no critical judgements, apart from those involving estimations (see below) in the process of applying the Trust's accounting policies.

1.6.2 Key sources of estimation uncertainty

Key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included in the relevant accounting policy note.

1.7 Revenue

Revenue in respect of services provided is recognised when, and to the extent that, performance occurs, and is measured at the fair value of the consideration receivable. The main source of revenue for the trust is from commissioners for healthcare services. Revenue relating to patient care spells that are part-completed at the year end are apportioned across the financial years on the basis of length of stay at the end of the reporting period compared to expected total length of stay.

Where income is received for a specific activity that is to be delivered in the following year, that income is deferred.

The Trust receives income under the NHS Injury Cost Recovery Scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid e.g. by an insurer. The Trust recognises the income when it receives notification from the Department of Work and Pension's Compensation Recovery Unit that the individual has lodged a compensation claim. The income is measured at the agreed tariff for the treatments provided to the injured individual, less a provision for unsuccessful compensation claims and doubtful debts.

1.8 Employee Benefits

Short-term employee benefits

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

The cost of leave earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry forward leave into the following period.

Retirement benefit costs

Past and present employees are covered by the provisions of the NHS Pensions Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to expenditure at the time the Trust commits itself to the retirement, regardless of the method of payment.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.9 Other expenses

Other operating expenses are recognised when, and to the extent that, the goods or services have been received. They are measured at the fair value of the consideration payable.

1.10 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised if:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential will be supplied to the Trust;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- the item has cost of at least £5,000; or
- Collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- Items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, the components are treated as separate assets and depreciated over their own useful economic lives.

Valuation

All property, plant and equipment are measured initially at cost, representing the cost directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. All assets are measured subsequently at fair value. Land and buildings used for the Trust's services or for administrative purposes are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation less any impairment.

Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. Fair values are determined as follows:

- Land and non-specialised buildings market value for existing use
- Specialised buildings depreciated replacement cost

Notes to the Accounts - 1. Accounting Policies (Continued)

HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued.

The Trust instructed the District Valuer to perform an interim revaluation of assets at 31 March 2014. The effect of this was to recognise an increase in the value of fixed assets of £6,253,376, resulting in an increase in the revaluation reserve of £6,639,863 and an impairment charged to the expenditure of £386,487.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 for assets held at fair value. Assets are revalued and depreciation commences when they are brought into use.

Fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value.

An increase arising on revaluation is taken to the revaluation reserve except when it reverses an impairment for the same asset previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Impairment losses that arise from a clear consumption of economic benefit should be taken to expenditure. Gains and losses recognised in the revaluation reserve are reported as other comprehensive income in the Statement of Comprehensive Income.

Subsequent expenditure

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is capitalised. Where subsequent expenditure restores the asset to its original specification, the expenditure is capitalised and any existing carrying value of the item replaced is written-out and charged to operating expenses.

1.11 Intangible assets

Recognition

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the trust's business or which arise from contractual or other legal rights. They are recognised only when it is probable that future economic benefits will flow to, or service potential be provided to, the trust; where the cost of the asset can be measured reliably, and where the cost is at least £5,000.

Intangible assets acquired separately are initially recognised at fair value. Software that is integral to the operating of hardware, for example an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible asset. Expenditure on research is not capitalised: it is recognised as an operating expense in the period in which it is incurred. Internally-generated assets are recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use
- the intention to complete the intangible asset and use it
- the ability to sell or use the intangible asset
- how the intangible asset will generate probable future economic benefits or service potential
- the availability of adequate technical, financial and other resources to complete the intangible asset and sell or use it
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Notes to the Accounts - 1. Accounting Policies (Continued)

Measurement

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the criteria above are initially met. Where no internally-generated intangible asset can be recognised, the expenditure is recognised in the period in which it is incurred.

Following initial recognition, intangible assets are carried at fair value by reference to an active market, or, where no active market exists, at amortised replacement cost (modern equivalent assets basis), indexed for relevant price increases, as a proxy for fair value. Internally-developed software is held at historic cost to reflect the opposing effects of increases in development costs and technological advances.

1.12 Depreciation, amortisation and impairments

Tangible fixed assets are depreciated at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives:

Freehold buildings - over estimated useful life not exceeding 86 years.

Leaseholds - over the primary lease term.

Furniture and fittings - 5 to 15 years.

Transport Equipment - 7 to 10 years.

IT equipment - 5 to 10 years.

Plant and machinery - 5 to 20 years.

Intangible fixed assets are depreciated at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives:

Software Licences - 5 years

Freehold land, properties under construction, and assets held for sale are not depreciated.

Otherwise, depreciation and amortisation are charged to write off the costs or valuation of property, plant and equipment and intangible non-current assets, less any residual value, over their estimated useful lives, in a manner that reflects the consumption of economic benefits or service potential of the assets. The estimated useful life of an asset is the period over which the Trust expects to obtain economic benefits or service potential from the asset. This is specific to the Trust and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. Assets held under finance leases are depreciated over their estimated useful lives.

At each reporting period end, the Trust checks whether there is any indication that any of its tangible or intangible non-current assets have suffered an impairment loss. If there is indication of an impairment loss, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment annually. As a result of this impairment review, two assets, Wards 2 and 3 and Management Centre at PRH, were identified as impaired as they were not in use. An impairment of £2,784,086 has been charged to expenditure.

A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Impairment losses that arise from a clear consumption of economic benefit should be taken to expenditure. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount but capped at the amount that would have been determined had there been no initial impairment loss. The reversal of the impairment loss is credited to expenditure to the extent of the decrease previously charged there and thereafter to the revaluation reserve.

Impairments are analysed between Departmental Expenditure Limits (DEL) and Annually Managed Expenditure (AME). This is necessary to comply with Treasury's budgeting guidance. DEL limits are set in the Spending Review and Departments may not exceed the limits that they have been set. AME budgets are set by the Treasury and may be reviewed with departments in the run-up to the Budget. Departments need to monitor AME closely and inform Treasury if they expect AME spending to rise above forecast. Whilst Treasury accepts that in some areas of AME inherent volatility may mean departments do not have the ability to manage the spending within budgets in that financial year, any expected increases in AME require Treasury approval.

1.13 Donated assets

Donated non-current assets are capitalised at their fair value on receipt, with a matching credit to Income. They are valued, depreciated and impaired as described above for purchased assets. Gains and losses on revaluations, impairments and sales are as described above for purchased assets. Deferred income is recognised only where conditions attached to the donation preclude immediate recognition of the gain.

1.14 Government grants

The Trust does not hold any Government grants within the year or prior year.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.15 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met when the sale is highly probable, the asset is available for immediate sale in its present condition and management is committed to the sale, which is expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Fair value is open market value including alternative uses.

The profit or loss arising on disposal of an asset is the difference between the sale proceeds and the carrying amount and is recognised in the Statement of Comprehensive Income. On disposal, the balance for the asset on the revaluation reserve is transferred to retained earnings.

Property, plant and equipment that is to be scrapped or demolished does not qualify for recognition as held for sale. Instead, it is retained as an operational asset and its economic life is adjusted. The asset is derecognised when it is scrapped or demolished.

1.16 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

The Trust as lessee

Property, plant and equipment held under finance leases are initially recognised, at the inception of the lease at fair value or, if lower, at the present value of the minimum lease payments, with a matching liability for the lease obligation to the lessor. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate on interest on the remaining balance of the liability. Finance charges are recognised in calculating the Trust's surplus/deficit.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

Contingent rentals are recognised as an expense in the period in which they are incurred.

Where a lease is for land and buildings, the land and building components are separated and individually assessed as to whether they are operating or finance leases.

The Trust as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Trust's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the trust's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.17 Private Finance Initiative (PFI) transactions

The Trust has no PFI agreements.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.18 Inventories

Inventories are valued at the lower of cost and net realisable value using the replacement cost formula. This is considered to be a reasonable approximation to fair value.

1.19 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the Trust's cash management.

1.20 Provisions

Provisions are recognised when the Trust has a present legal or constructive obligation as a result of a past event, it is probable that the Trust will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using HM Treasury's discount rates in real terms (1.8% for employee early departure obligations).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

A restructuring provision is recognised when the Trust has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with ongoing activities of the entity.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.21 Clinical negligence costs

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the trust pays an annual contribution to the NHSLA which in return settles all clinical negligence claims. The contribution is charged to expenditure. Although the NHSLA is administratively responsible for all clinical negligence cases the legal liability remains with the Trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the trust is disclosed at note 35.

1.22 Non-clinical risk pooling

The Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the Trust pays an annual contribution to the NHS Litigation Authority and, in return, receives assistance with the costs of claims arising. The annual membership contributions, and any excesses payable in respect of particular claims are charged to operating expenses as and when they become due.

1.23 Carbon Reduction Commitment Scheme (CRC)

CRC and similar allowances are accounted for as government grant funded intangible assets if they are not expected to be realised within twelve months, and otherwise as other current assets. They are valued at open market value. As the NHS body makes emissions, a provision is recognised with an offsetting transfer from deferred income. The provision is settled on surrender of the allowances. The asset, provision and deferred income amounts are valued at fair value at the end of the reporting period.

1.24 Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Trust, or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably. A contingent liability is disclosed unless the possibility of a payment is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Trust. A contingent asset is disclosed where an inflow of economic benefits is probable.

Where the time value of money is material, contingencies are disclosed at their present value.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.25 Financial assets

Financial assets are recognised when the Trust becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or the asset has been transferred.

Financial assets are classified into the following categories: financial assets at fair value through profit and loss; held to maturity investments; available for sale financial assets, and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at fair value through profit and loss

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial assets at fair value through profit and loss. They are held at fair value, with any resultant gain or loss recognised in calculating the Trust's surplus or deficit for the year. The net gain or loss incorporates any interest earned on the financial asset.

Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity, and there is a positive intention and ability to hold to maturity. After initial recognition, they are held at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

Available for sale financial assets

Available for sale financial assets are non-derivative financial assets that are designated as available for sale or that do not fall within any of the other three financial asset classifications. They are measured at fair value with changes in value taken to the revaluation reserve, with the exception of impairment losses. Accumulated gains or losses are recycled to surplus/deficit on de-recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. After initial recognition, they are measured at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

Fair value is determined by reference to quoted market prices where possible, otherwise by valuation techniques.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, to the initial fair value of the financial asset.

At the end of the reporting period, the Trust assesses whether any financial assets, other than those held at 'fair value through profit and loss' are impaired. Financial assets are impaired and impairment losses recognised if there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in expenditure and the carrying amount of the asset is reduced through a provision for impairment of receivables.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through expenditure to the extent that the carrying amount of the receivable at the date of the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.26 Financial liabilities

Financial liabilities are recognised on the statement of financial position when the Trust becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired.

Loans from the Department of Health are recognised at historical cost. Otherwise, financial liabilities are initially recognised at fair value.

Financial guarantee contract liabilities

Financial guarantee contract liabilities are subsequently measured at the higher of:

The premium received (or imputed) for entering into the guarantee less cumulative amortisation.

The amount of the obligation under the contract, as determined in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Financial liabilities at fair value through profit and loss

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial liabilities at fair value through profit and loss. They are held at fair value, with any resultant gain or loss recognised in the Trust's surplus/deficit. The net gain or loss incorporates any interest payable on the financial liability.

Other financial liabilities

After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method, except for loans from Department of Health, which are carried at historic cost. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the net carrying amount of the financial liability. Interest is recognised using the effective interest method.

1.27 Value Added Tax

Most of the activities of the trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.28 Foreign currencies

The Trust's functional currency and presentational currency is sterling. Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the spot exchange rate on 31 March. Resulting exchange gains and losses for either of these are recognised in the trust's surplus/deficit in the period in which they arise.

1.29 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the trust has no beneficial interest in them. Details of third party assets are given in Note 44 to the accounts.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.30 Public Dividend Capital (PDC) and PDC dividend

Public dividend capital represents taxpayers' equity in the NHS trust. At any time the Secretary of State can issue new PDC to, and require repayments of PDC from, the trust. PDC is recorded at the value received. As PDC is issued under legislation rather than under contract, it is not treated as an equity financial instrument.

An annual charge, reflecting the cost of capital utilised by the trust, is payable to the Department of Health as public dividend capital dividend. The charge is calculated at the real rate set by HM Treasury (currently 3.5%) on the average carrying amount of all assets less liabilities (except for donated assets, net assets transferred from NHS bodies dissolved on 1 April 2013 and cash balances with the Government Banking Service). The average carrying amount of assets is calculated as a simple average of opening and closing relevant net assets.

1.31 Losses and Special Payments

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

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

1.32 Subsidiaries

There are no material entities in which the Trust has the power to exercise control to obtain economic or other benefits.

The Trust will not be consolidating the results of the NHS Trust's Charity, over which it considers it has the power to exercise control in accordance with IAS27 requirements, due to materiality.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.33 Associates

There are no material entities in which the Trust has the power to exercise significant influence to obtain economic or other benefits.

1.34 Joint ventures

There are no material entities in which the Trust has joint control with one or more other parties to obtain economic or other benefits.

1.35 Joint operations

There are no joint operations in which the Trust participates in with one or more other parties.

1.36 Research and Development

Research and development expenditure is charged against income in the year in which it is incurred, except in so far as development expenditure relates to a clearly defined project and the benefits of it can reasonably be regarded as assured. Expenditure so deferred is limited to the value of future benefits expected and is amortised through the SOCNE/SOCI on a systematic basis over the period expected to benefit from the project. It should be revalued on the basis of current cost. The amortisation is calculated on the same basis as depreciation, on a quarterly basis.

1.37 Accounting Standards that have been issued but have not yet been adopted

The Treasury FReM does not require the following Standards and Interpretations to be applied in 2013-14. The application of the Standards as revised would not have a material impact on the accounts for 2013-14, were they applied in that year:

IAS 27 Separate Financial Statements - subject to consultation

IAS 28 Investments in Associates and Joint Ventures - subject to consultation

IFRS 9 Financial Instruments - subject to consultation - subject to consultation

IFRS 10 Consolidated Financial Statements - subject to consultation

IFRS 11 Joint Arrangements - subject to consultation

IFRS 12 Disclosure of Interests in Other Entities - subject to consultation

IFRS 13 Fair Value Measurement - subject to consultation

IPSAS 32 - Service Concession Arrangement - subject to consultation

2. Pooled budget

The Trust has no pooled budget arrangements.

3. Operating segments

The Trust operates in one material segment which is the provision of healthcare services. The Trust, through the use of its Patient Level Costing system, provides Income and Expenditure positions for each of the Care Groups to reflect the Trust's management and internal reporting structure

	Scheduled Care Group	Unscheduled Care Group	Womens & Childrens Care Group	TOTAL	TOTAL
	2013-14 £000s	2013-14 £000s	2013-14 £000s	2013-14 £000s	2012-13 £000s
Income	151,168	106,746	52,192	310,106	304,402
Costs Finance Costs	141,338 8,855	105,597 6,253	51,823 3,146	298,758 18,254	289,315 16,831
Surplus/(Deficit)	975	(5,104)	(2,777)	(6,906)	(1,744)
Donated Assets Adjustment				(199)	(5,283)
NTDA Support				4,000	4,960
Impairments				3,170	2,148
Trust Surplus			,	65	81

Due to a restructure within the Trust comparable data is not available for these Care Groups for 2012-13.

4. Income generation activities

The Trust undertakes income generation activities with an aim of achieving profit, which is then used in patient care. The Trust has no income generation activities whose full cost exceeded £1m.

5. Revenue from patient care activities	2013-14 £000s	2012-13 £000s
NHS Trusts	418	0
NHS England*	48,665	
Clinical Commissioning Groups	212,948	
Primary Care Trusts		245,707
NHS Foundation Trusts	570	843
NHS Other (including Public Health England and Prop Co)	60	0
Non-NHS:		
Private patients	1,916	2,279
Overseas patients (non-reciprocal)	28	36
Injury costs recovery**	1,384	1,709
Other***	25,965	25,238
Total Revenue from patient care activities	291,954	275,812

^{*} NHS England includes £4m support in 2013-14.

^{***}Non-NHS-Other includes income of £25.7m from Welsh bodies (2012-13: £24m).

6. Other operating revenue	2013-14 £000s	2012-13 £000s
Education, training and research	12,196	12,193
Receipt of donations for capital acquisitions	1,150	6,109
Non-patient care services to other bodies	2,635	3,572
Income generation	2,564	2,898
Other revenue*	3,607	8,778
Total Other Operating Revenue	22,152	33,550
Total operating revenue	314,106	309,362

^{*}Other revenue in 2012-13 includes £4.96m financial support from the SHA.

7. Revenue	2013-14 £000	2012-13 £000
From rendering of services	314,106	309,362

Revenue is almost totally from the supply of services. Revenue from the sale of goods is immaterial.

^{**}Injury cost recovery income is subject to a provision for impairment of receivables of 15.8% (previously 12.6% to September 2013) to reflect expected rates of collection.

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8. Operating expenses	2013-14	2012-13
	£000s	£000s
Purchase of healthcare from non-NHS bodies	1,434	234
Trust Chair and Non-executive Directors	57	54
Supplies and services - clinical	53,871	51,427
Supplies and services - general	4,928	4,639
Consultancy services	333	772
Establishment	4,436	4,647
Transport	3,854	3,701
Premises	12,992	12,860
Insurance	49	
Legal Fees	152	
Impairments and Reversals of Receivables	407	426
Inventories write down	94	
Depreciation	9,077	8,995
Amortisation	416	337
Impairments and reversals of property, plant and equipment	3,170	2,148
Audit fees	135	135
Clinical negligence	6,343	6,318
Education and Training	637	745
Other	748	894
Total Operating expenses (excluding employee benefits)	103,133	98,332
Employee Benefits		
Employee benefits excluding Board members	206,793	201,355
Board members	1,495	1,108
Total Employee Benefits	208,288	202,463
Total Operating Expenses	311,421	300,795

9 Operating Leases

The Trust has two operating leases relating to investments in replacing the boiler plants. The term of the lease at the Princess Royal Hospital is 12 years and commenced 1 July 2003. The term of the lease at the Royal Shrewsbury Hospital is 15 years and commenced 1 April 2007.

The Trust has a contract for the provision of Biochemistry and Haematology service, comprising immunoassay, clinical chemistry, haematology, software and pre-analytics. The term of the contract is seven years and commenced 1 May 2007.

The Trust has a contract for computerised digital imaging and archiving service contracts within Radiology. The term of the contract, which covers the Royal Shrewsbury Hospital and the Princess Royal Hospital, is 7 years and commenced on 17 March 2012.

The Trust has a lease for printing services for both hospitals. The lease commenced 1 September 2009 for 5 years but has now been extended for a further two years.

The Trust has two property leases for off site office accommodation and an off site sterile services facility with lease terms of 5 years (3 year break point) and 20 years respectively both commencing 1 April 2010.

The Trust has entered into leases for the provision of staff and office accommodation facilities at the Royal Shrewsbury Hospital.

The Trust also leases cars and adhoc medical equipment.

9.1 Trust as lessee	Buildings	Other	Total	2012-13
Dayments recognised as an aynanas	£000s	£000s	£000s	£000s
Payments recognised as an expense				
Minimum lease payments	604	3,620	4,224	3,855
Contingent rents	0	0	0	0
Sub-lease payments	0	0	0	0
Total	604	3,620	4,224	3,855
Payable:				
No later than one year	669	2,940	3,609	3,821
Between one and five years	1,095	8,909	10,004	9,517
After five years	3,640	3,490	7,130	8,449
Total	5,404	15,339	20,743	21,787

9.2 Trust as lessor

The Trust does not have any leasing arrangements where it acts as a lessor.

10 Employee benefits and staff numbers

10.1 Employee benefits

	Permanently				
	Total	employed	Other		
	£000s	£000s	£000s		
Employee Benefits - Gross Expenditure 2013-14					
Salaries and wages	177,139	165,029	12,110		
Social security costs	12,494	12,494	0		
Employer Contributions to NHS BSA - Pensions Division	19,598	19,598	0		
Other pension costs	0	0	0		
Termination benefits	11_	11	0		
Total employee benefits	209,242	197,132	12,110		
Employee costs capitalised	954	906	48		
Gross Employee Benefits excluding capitalised costs	208,288	196,226	12,062		
	· · · · · · · · · · · · · · · · · · ·				

		Permanently	
Employee Benefits - Gross Expenditure 2012-13	Total £000s	employed £000s	Other £000s
Salaries and wages	172,523	152,102	20,421
Social security costs	12,393	12,393	0
Employer Contributions to NHS BSA - Pensions Division	18,142	18,142	0
Other pension costs	0	0	0
Termination benefits	152	152	0
TOTAL - including capitalised costs	203,210	182,789	20,421
Employee costs capitalised	747	635	112
Gross Employee Benefits excluding capitalised costs	202,463	182,154	20,309

10.2 Staff Numbers

	2013-14	:	2012-13		
	Total Number	Permanently employed Number	Other Number	Total Number	
Average Staff Numbers					
Medical and dental	585	540	45	656	
Administration and estates	982	914	68	1,047	
Healthcare assistants and other support staff	1,096	950	146	1,044	
Nursing, midwifery and health visiting staff	1,497	1,371	126	1,480	
Nursing, midwifery and health visiting learners	25	25	0	0	
Scientific, therapeutic and technical staff	800	783	17	661	
TOTAL	4,985	4,583	402	4,888	
Of the above - staff engaged on capital projects	20	19	1	15	

10.3 Staff Sickness absence and ill health retirements

	2013-14	2012-13
	Number	Number
Total Days Lost	42,054	45,599
Total Staff Years	4,551	4,496
Average working Days Lost	9.24	10.14

These figures are calendar year figures (January - December) not financial year figures.

Number of persons retired early on ill health grounds	2013-14 Number 5	2012-13 Number 3
	£000s	£000s
Total additional pensions liabilities accrued in the year	490	154

10.4 Exit Packages

2013-14	2012-13
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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 have been made	Cost of special payment element included in exit packages	Number of compulsory redundancies	Cost of compulsory redundancies	Number of other departures agreed	Cost of other departures agreed	Total number of exit packages by cost band	Total cost of exit packages	Number of departures where special payments have been made	Cost of special payment element included in exit packages
	Number	£s	Number	£s	Number	£s	Number	£s	Number	£s	Number	£s	Number	£s	Number	£s
Less than £10,000	0	0	0	0	0	0	0	0	0	0	5	30,764	5	30,764	0	0
£10,000-£25,000	1	10,629	0	0	1	10,629	0	0	0	0	2	33,360	2	33,360	0	0
£25,001-£50,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
£50,001-£100,000	0	0	0	0	0	0	0	0	0	0	1	88,217	1	88,217	0	0
£100,001 - £150,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
£150,001 - £200,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
>£200,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total number of exit packages by type	1	10,629	0	0	1	10,629	0	0	0	0	8	152,341	8	152,341	0	0

This disclosure reports the number and value of redundancy and other exit packages agreed in the year. Exit costs in this note are accounted for in full in the year of departure. Ill-health retirement costs are met by the NHS pensions scheme and are not included in this table.

10.5 Pension costs

Past and present employees are covered by the provisions of the NHS Pensions Scheme. Details of the benefits payable under these provisions can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. The scheme is an unfunded, defined benefit scheme that covers NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS Body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

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

a) Accounting valuation

A valuation of the scheme liability is carried out annually by the scheme actuary as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and are accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2014, is based on valuation data as 31 March 2013, updated to 31 March 2014 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Pension Accounts, published annually. These accounts can be viewed on the NHS Pensions website. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

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

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2004. Consequently, a formal actuarial valuation would have been due for the year ending 31 March 2008. However, formal actuarial valuations for unfunded public service schemes were suspended by HM Treasury on value for money grounds while consideration is given to recent changes to public service pensions, and while future scheme terms are developed as part of the reforms to public service pension provision due in 2015.

The Scheme Regulations were changed to allow contribution rates to be set by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.

The next formal valuation to be used for funding purposes will be carried out at as at March 2012 and will be used to inform the contribution rates to be used from 1 April 2015.

c) Scheme provisions

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

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

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

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

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

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

Members can purchase additional service in the NHS Scheme and contribute to money purchase AVC's run by the Scheme's approved providers or by other Free Standing Additional Voluntary Contributions (FSAVC) providers.

11 Better Payment Practice Code

11.1 Measure of compliance	2013-14 Number	2013-14 £000s	2012-13 Number	2012-13 £000s
Non-NHS Payables				
Total Non-NHS Trade Invoices Paid in the Year	88,688	119,794	91,154	110,477
Total Non-NHS Trade Invoices Paid Within Target	37,251	78,739	54,877	74,531
Percentage of NHS Trade Invoices Paid Within Target	42.00%	65.73%	60.20%	67.46%
NHS Payables Total NHS Trade Invoices Paid in the Year Total NHS Trade Invoices Paid Within Target	2,380 1,550	11,302 8,014	2,494 1,736	15,878 10,866
Percentage of NHS Trade Invoices Paid Within Target	65.13%	70.91%	69.61%	68.43%

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

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

There were immaterial amounts paid under this act during this year or the prior year.

12 Investment Revenue Interest revenue	2013-14 £000s	2012-13 £000s
Bank interest	25	20
Total investment revenue	25	20
13 Other Gains and Losses	2013-14 £000s	2012-13 £000s
Loss on disposal of assets other than by sale (PPE) Total	(2) (2)	(5) (5)
14 Finance Costs	2013-14 £000s	2012-13 £000s
Interest Provisions unwinding of discount	20	30
Provisions - unwinding of discount Total	20	30
i Viui	20	30

15.1 Property, plant and equipment

15.1 Property, plant and equipment									
2013-14	Land	Buildings excluding dwellings	Dwellings	Assets under construction & payments	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
2013-14	£000's	£000's	£000's	on account £000's	£000's	£000's	£000's	£000's	£000's
Cost or valuation:									
At 1 April 2013	26,640	109,857	2,714	12,993	37,068	408	9,718	5,092	204,490
Additions of Assets Under Construction			Í	24,168				Í	24,168
Additions Purchased	0	1,576	0	·	2,180	0	1,331	107	5,194
Additions Donated	0	0	0	0	0	0	0	0	0
Additions - Purchases from Cash Donations &									
Government Grants	0	0	0	0	1,136	0	14	0	1,150
Additions Leased	0	0	0		0	0	0	0	0
Reclassifications	0	1,137	(433)	(2,995)	2,272	0	0	19	0
Reclassifications as Held for Sale and reversals	0	0	0	0	0	0	0	0	0
Disposals other than for sale	0	(3,225)	0	0	(716)	0	0	0	(3,941)
Upward revaluation/positive indexation	53	1,891	(12)	0	0	0	0	0	1,932
Impairments/negative indexation	0	(140)	0	0	0	0	0	0	(140)
Reversal of Impairments	0	0	0	0	0	0	0	0	0
At 31 March 2014	26,693	111,096	2,269	34,166	41,940	408	11,063	5,218	232,853
Depreciation									
At 1 April 2013	0	302	0	0	21,474	119	6,880	2,445	31,220
Reclassifications	0	0	0		(19)	0	0	19	0
Reclassifications as Held for Sale and reversals	0	0	0		0	0	0	0	Ö
Disposals other than for sale	0	(3,225)	0		(714)	0	0	0	(3,939)
Upward revaluation/positive indexation	0	(4,714)	(134)		` ó	0	0	0	(4,848)
Impairments	0	3,170	Ó	0	0	0	0	0	3,170
Reversal of Impairments	0	0	0	0	0	0	0	0	. 0
Charged During the Year	0	4,935	134		2,717	35	900	356	9,077
At 31 March 2014	0	468	0	0	23,458	154	7,780	2,820	34,680
Net Book Value at 31 March 2014	26,693	110,628	2,269	34,166	18,482	254	3,283	2,398	198,173
Asset financing:									
Owned - Purchased	26,693	104,051	2,269	34,166	14,820	254	3,214	2,152	187,619
Owned - Donated	20,000	6,577	2,200	0-1,100	3,662	0	69	246	10,554
Total at 31 March 2014	26,693	110,628	2,269	34,166	18,482	254	3.283	2,398	198,173
	20,000	. 10,020		04,100	10,402		0,200		.50,110

Revaluation Reserve Balance for Property, Plant & Equipment

	Land £000's	Buildings £000's	Dwellings £000's	Assets under construction & payments on account £000's	Plant & machinery	Transport equipment £000's	Information technology	Furniture & fittings	Total £000's
At 1 April 2013	10,125	30,460	125	0	1,252	0	0	0	41,962
Opening balance adjustment	0	(1,432)	1,432	0	0	0	0	0	0
In year movements	53	6,465	122	0	0	0	0	0	6,640
At 31 March 2014	10,178	35,493	1,679	0	1,252	0	0	0	48,602

£000's

Additions to Assets Under Construction in 2013-14

Balance as at YTD	24,168
Plant & Machinery	2,512
Dwellings	0
Buildings excl Dwellings	21,656
Land	0

15.2 Property, plant and equipment prior-year

2012-13 account £000s £0	98,423 8,635
	8,635
Additions - Assets Under Construction 8,635	
Additions - purchased 166 3,318 0 2,503 130 1,012 237	7,366
Additions - donated 0 1,890 0 0 719 0 34 196	2,839
Additions - government granted 0 0 0 0 0 0 0 0	0
Reclassifications 0 3,537 0 (3,552) (54) 0 13 56	0
Reclassifications as Held for Sale and reversals 0 0 0 0 0 0 0 0 0	0
	0,524)
Revaluation & indexation gains 184 1,271 125 0 0 0 0 0 0	1,580
	(3,829)
Reversals of impairments 0 <td>0</td>	0
At 31 March 2013 26,640 109,857 2,714 12,993 37,068 408 9,718 5,092 2	04,490
Depreciation 0.004 0.007 0.007 0.007 0.007 0.007	00 500
	30,590
Reclassifications 0 0 0 (29) 0 21 8	0
Reclassifications as Held for Sale and reversals 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0
	0,513)
Upward revaluation/positive indexation 0 0 0 0 0 0 0	0
Impairments 0 2,148 0 0 0 0 0 0 0	2,148
Reversal of Impairments 0 0 0 0 0 0 0 0 0	0
Charged During the Year 0 5,086 145 2,550 25 854 335	8,995
	31,220
Net book value at 31 March 2013 26,640 109,555 2,714 12,993 15,594 289 2,838 2,647 1	73,270
Purchased 26,640 103,172 2,714 12,993 12,495 289 2,754 2,367 1	63,424
Donated 0 6,383 0 0 3,099 0 84 280	9,846
Government Granted 0 0 0 0 0 0	0,0.0
	73,270
	-,=-,=
Asset financing:	
	73,270
	73,270

15.3 (cont). Property, plant and equipment

Tangible fixed assets are depreciated at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives:

Freehold buildings - over estimated useful life not exceeding 86 years.

Leaseholds - over the primary lease term.

Furniture and fittings - 5 to 15 years.

Transport Equipment - 7 to 10 years.

IT equipment - 5 to 10 years.

Plant and machinery - 5 to 20 years.

The majority of donated assets have been donated by the Friends of the Royal Shrewsbury Hospital; Friends of The Princess Royal Hospital Telford; The Shrewsbury and Telford Hospital NHS Trust Charitable Funds and the Lingen Davies Cancer Relief Fund.

16.1 Intangible non-current assets

2013-14	IT - in-house & 3rd party software	Computer Licenses	Licenses and Trademarks	Patents	Development Expenditure - Internally Generated	Total
	£000's	£000's	£000's	£000's	£000's	£000's
At 1 April 2013	53	2,016	0	0	0	2,069
Additions - purchased	46	272	0	0	0	318
Additions - internally generated	0	0	0	0	0	0
Additions - donated	0	0	0	0	0	0
Additions - government granted	0	0	0	0	0	0
Additions - leased	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Reclassified as Held for Sale and Reversals	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0
Revaluation & indexation gains	0	0	0	0	0	0
Impairments charged to reserves	0	0	0	0	0	0
Reversal of impairments charged to reserves	0	0	0	0	0	0
At 31 March 2014	99	2,288	0	0	0	2,387
Amortisation						
At 1 April 2013	3	736	0	0	0	739
Reclassifications	0	0	0	0	0	0
Reclassified as Held for Sale and Reversals	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0
Revaluation or indexation gains	0	0	0	0	0	0
Impairments charged to operating expenses	0	0	0	0	0	0
Reversal of impairments charged to operating expenses	s 0	0	0	0	0	0
Charged during the year	10	406	0	0	0	416
At 31 March 2014	13	1,142	0	0		1,155
Net Book Value at 31 March 2014	86	1,146	0	0	0	1,232
Asset Financing: Net book value at 31 March 2014 c	omprises:					
Purchased	. 86	1,114	0	0	0	1,200
Donated	0	32	0	0	0	32
Finance Leased	0	0	0	0	0	0
Total at 31 March 2014	86	1,146	0	0	0	1,232
Revaluation reserve balance for intangible non-curr	ont accote					
ive variation reserve parance for intangible non-curr	£000's	£000's	£000's	£000's	£000's	£000's
At 1 April 2013	0	0	0	0	0	0
In year movements	0	0	0	0	0	0
At 31 March 2014				0		0
		<u> </u>				<u> </u>

16.2 Intangible non-current assets prior year

10.2 intangible non-current assets prior year						
2040.40	IT - in-house & 3rd party software	Computer Licenses	Licenses and Trademarks	Patents	Development Expenditure - Internally	Total
2012-13	£000s	£000s	£000s	£000s	Generated £000s	£000s
Cost or valuation:						
At 1 April 2012	13	1,658	0	0	0	1,671
Additions - purchased	0	358	0	0	0	358
Additions - internally generated	40	0	0	0	0	40
Additions - donated	0	0	0	0	0	0
Additions - government granted	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0
Revaluation & indexation gains	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0
At 31 March 2013	53	2,016	0	0	0	2,069
Amortisation						
At 1 April 2012	0	402	0	0	0	402
Reclassifications	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0
Revaluation or indexation gains	0	0	0	0	0	0
Impairments charged to operating expenses	0	0	0	0	0	0
Reversal of impairments charged to operating expenses	0	0	0	0	0	0
Charged during the year	3	334	0	0	0	337
At 31 March 2013	3	736	0	0	0	739
Net book value at 31 March 2013	50	1,280	0	0	0	1,330
Net book value at 31 March 2013 comprises:						
Purchased	50	1,237	0	0	0	1,287
Donated	0	43	0	0	0	43
Government Granted	0	0	0	0	0	0
Total at 31 March 2013	50	1,280	0	0	0	1,330

16.3 Intangible non-current assets

The intangible assets held by the Trust relate to the purchase of software licenses and software that has been internally generated. These assets are written down over a useful economic life of 5 years.

There are no revaluation reserve balances for intangible assets.

17 Analysis of impairments and reversals recognised in 2013-14	2013-14
	Total £000s
Property, Plant and Equipment impairments and reversals taken to SoC	£000S
Loss or damage resulting from normal operations	0
Over-specification of assets	0
Abandonment of assets in the course of construction Total charged to Departmental Expenditure Limit	<u>0</u>
Unforeseen obsolescence Loss as a result of catastrophe	0
Other	2,784
Changes in market price	386
Total charged to Annually Managed Expenditure	3,170
Total Impairments of Property, Plant and Equipment changed to SoC	3,170
Intangible assets impairments and reversals charged to SoC	
Loss or damage resulting from normal operations	0
Over-specification of assets Abandonment of assets in the course of construction	0
Total charged to Departmental Expenditure Limit	
Unforeseen obsolescence	0
Loss as a result of catastrophe	0
Other	0
Changes in market price Total charged to Annually Managed Expenditure	<u>0</u>
Total Impairments of Intangibles charged to SoCl	
Total impairments of intanglishes on a goal to cool	
Financial Assets charged to SoCI	_
Loss or damage resulting from normal operations Total charged to Departmental Expenditure Limit	<u>0</u>
Loss as a result of catastrophe Other	0
Total charged to Annually Managed Expenditure	
Total Impairments of Financial Assets charged to SoCl	
Non-current assets held for sale - impairments and reversals charged to SoCI Loss or damage resulting from normal operations	0
Abandonment of assets in the course of construction	0
Total charged to Departmental Expenditure Limit	0
Unforeseen obsolescence	0
Loss as a result of catastrophe	0
Other	0
Changes in market price Total charged to Annually Managed Expenditure	<u>0</u>
Total impairments of non-current assets held for sale charged to SoCl	
Total Impairments charged to SoCI - DEL	0
Total Impairments charged to SoCI - AME Overall Total Impairments	3,170 3,170
	<u> </u>
Donated and Gov Granted Assets, included above	
PPE - Donated and Government Granted Asset Impairments: amount charged to SOCI - DEL	0
Intangibles - Donated and Government Granted Asset Impairments: amount charged to SOCI - DEL	0

As a result of this impairment review, two assets, Wards 2 and 3 and Management Centre at PRH, were identified as impaired as they were not in use. An impairment of £2,784,086 has been charged to expenditure.

Impairment charged to the expenditure of £386,487 as a result of interim revaluation of assets carried out by District Valuer.

17 Analysis of impairments and reversals recognised in 2013-14

	Total	Property Plant and Equipment	Intangible Assets	Financial Assets	Non-Current Assets Held for Sale
	£000s	£000s	£000s	£000s	£000s
Impairments and reversals taken to SoCI					
Loss or damage resulting from normal operations	0	0	0	0	0
Over-specification of assets	0	0	0		
Abandonment of assets in the course of construction	0	0	0		0
Total charged to Departmental Expenditure Limit	0	0	0	0	0
Unforeseen obsolescence	0	0	0		0
Loss as a result of catastrophe	0	0	0	0	0
Other	2,784	2,784	0	0	0
Changes in market price	386	386	0		0
Total charged to Annually Managed Expenditure	3,170	3,170	0	0	0
Total Impairments of Property, Plant and Equipment changed to SoCI	3,170	3,170	0	0	0

Donated and Gov Granted Assets, included above	£000s
PPE - Donated and Government Granted Asset Impairments: amount charged to SOCI - DEL	0
Intangibles - Donated and Government Granted Asset Impairments: amount charged to SOCI - DEL	0

As a result of this impairment review, two assets, Wards 2 and 3 and Management Centre at PRH, were identified as impaired as they were not in use. An impairment of £2,784,086 has been charged to expenditure.

Impairment charged to the expenditure of £386,487 as a result of interim revaluation of assets carried out by District Valuer.

18 Investment property

The Trust has no investment property.

19 Commitments

19.1 Capital commitments

Contracted capital commitments at 31 March not otherwise included in these financial statements:

	31 March 2014	31 March 2013
	£000s	£000s
Property, plant and equipment	2,054	19,550
Intangible assets	0	5
Total	2,054	19,555

19.2 Other financial commitments

The Trust has not entered into any non-cancellable contracts in the current year (2012-13: none).

20 Intra-Government and other balances	Current receivables £000s	Non-current receivables £000s	Current payables £000s	Non-current payables £000s
Balances with other Central Government Bodies	6,888	0	3,224	0
Balances with Local Authorities	46	0	0	0
Balances with NHS bodies outside the Departmental Group	0	0	0	0
Balances with NHS Trusts and Foundation Trusts	1,295	0	1,417	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	3,781	1,384	22,836	0
At 31 March 2014	12,010	1,384	27,477	0
Prior Period:	4.704		7.070	
Balances with other Central Government Bodies	4,791	0	7,370	0
Balances with Local Authorities	9	0	27	0
Balances with NHS bodies outside the Departmental Group	0	0	26	0
Balances with NHS Trusts and Foundation Trusts	656	0	692	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	5,772	1,709	18,038	0
At 31 March 2013	11,228	1,709	26,153	0

21 Inventories	Drugs £000s	Consumables £000s	Energy £000s	Total £000s	Of which held at NRV £000s
Balance at 1 April 2013	1,865	3,618	258	5,741	5,741
Additions	292	547	0	839	839
Inventories recognised as an expense in the period	0	0	(16)	(16)	(16)
Write-down of inventories (including losses)	(83)	(11)	0	(94)	(94)
Balance at 31 March 2014	2,074	4,154	242	6,470	6,470

22.1 Trade and other receivables	1 Trade and other receivables Current			current
	31 March 2014 £000s	31 March 2013 £000s	31 March 2014 £000s	31 March 2013 £000s
NHS receivables - revenue	3,501	2,987	0	0
NHS prepayments and accrued income	1,713	1,792	0	0
Non-NHS receivables - revenue	4,661	2,624	1,384	1,709
Non-NHS prepayments and accrued income	2,150	3,677	0	0
Provision for the impairment of receivables	(468)	(428)	0	0
VAT	451	256	0	0
Interest receivables	2	2	0	0
Total	12,010	10,910	1,384	1,709
Total current and non current	13,394	12,619		

The great majority of trade is with Clinical Commissioning Groups, as commissioners for NHS patient care services. As Clinical Commissioning Groups are funded by Government to buy NHS patient care services, no credit scoring of them is considered necessary.

22.2 Receivables past their due date but not impaired	31 March 2014 £000s	31 March 2013 £000s
By up to three months	5,266	3,873
By three to six months	979	48
By more than six months	578	57
Total	6,823	3,978

22.3 Provision for impairment of receivables	2013-14 £000s	2012-13 £000s
Balance at 1 April 2013	(428)	(429)
Amount written off during the year	367	427
Amount recovered during the year	6	8
Increase in receivables impaired	(413)	(434)
Balance at 31 March 2014	(468)	(428)

Injury cost recovery income is subject to a provision for impairment of receivables of 15.8% (previously 12.6% to September 2013) to reflect expected rates of collection.

Invoices raised to overseas visitors are provided for immediately as a high number of these invoices are not collected.

Specific provisions are made against any invoices that are outstanding and deemed to be non-collectable including those that have been sent to the Trust's debt collection agency.

23 NHS LIFT investments

The Trust has no NHS LIFT investments.

24 Other Financial Assets

There were no other financial assets in this year or the prior year.

25 Other current assets

There were no other current assets in this year or the prior year.

26 Cash and Cash Equivalents	31 March 2014 £000s	31 March 2013 £000s
Opening balance	2,200	1,202
Net change in year	0	998
Closing balance	2,200	2,200
Made up of		
Cash with Government Banking Service	2,187	2,188
Commercial banks	0	0
Cash in hand	13	12
Current investments	0	0
Cash and cash equivalents as in statement of financial position	2,200	2,200
Bank overdraft - Government Banking Service	0	0
Bank overdraft - Commercial banks	0	0
Cash and cash equivalents as in statement of cash flows	2,200	2,200
Patients' money held by the Trust, not included above	2	1

27 Non-current assets held for sale

There were no non-current assets held for sale in this year or the prior year.

28 Trade and other payables

	Curi	rent	Non-c	Non-current		
	31 March 2014	March 2014 31 March 2013		31 March 2013		
	£000s	£000s	£000s	£000s		
NHS payables - revenue	1,077	571	0	0		
NHS accruals and deferred income	892	1,041	0	0		
Non-NHS payables - revenue	12,066	8,563	0	0		
Non-NHS payables - capital	8,184	3,696	0	0		
Non-NHS accruals and deferred income	5,246	8,214	0	0		
Social security costs	0	1,871				
Tax	0	2,171				
Payments received on account	12	26	0	0		
Total	27,477	26,153	0	0		
Total payables (current and non-current)	27,477	26,153				
Included above: outstanding Pension Contributions at the year	2,656	2,378				

There are no social security costs or tax outstanding as at 31 March 2014 as these were paid on 27 March 2014.

29 Other liabilities

There were no other liabilities in this year or the prior year.

30 Borrowings

There were no borrowings in this year or the prior year.

31 Other financial liabilities

There were no other financial liabilities in this year or the prior year.

32 Deferred revenue	Cur	rent	Non-current			
	31 March 2014	31 March 2013	31 March 2014	31 March 2013		
	£000s	£000s	£000s	£000s		
Opening balance at 1 April 2013	754	4,575	0	0		
Deferred revenue addition	145	754	0	0		
Transfer of deferred revenue	(754)	(4,575)	0	0		
Current deferred Income at 31 March 2014	145	754	0	0		
Total deferred income (current and non-current)	145	754				

33 Finance lease obligations as lessee

The Trust did not have any finance leases in this year or the prior year.

34 Finance lease receivables as lessor

The Trust did not have any leasing arrangements where it acted as a lessor in this year or the prior year.

35 Provisions

	Total	Early Departure Costs	Legal Claims	Restructuring	Other
	£000s	£000s	£000s	£000s	£000s
Balance at 1 April 2013	960	152	233	110	465
Arising During the Year	448	5	136	0	307
Utilised During the Year	(415)	(42)	(125)	0	(248)
Reversed Unused	(32)	0	(32)	0	0
Unwinding of Discount	20	10	0	0	10
Change in Discount Rate	0	0	0	0	0
Balance at 31 March 2014	981	125	212	110	534
Expected Timing of Cash Flows:					
No Later than One Year	634	45	212	110	267
Later than One Year and not later than Five Years	280	80	0	0	200
Later than Five Years	67	0	0	0	67

Amount Included in the Provisions of the NHS Litigation Authority in Respect of Clinical Negligence Liabilities:

As at 31 March 2014As at 31 March 2013 **64,621**52,636

Pensions relating to other staff is a provision for future payments payable to the NHS Pensions Agency in respect of former employees who took early retirement.

Legal claims relate to non clinical cases with employees and members of the general public.

Restructurings provision relates to changes within the Trust's senior management team. The relevant individual has been consulted and the provision represents the expected direct expenditure arising from this change.

Other provision relates to Injury Benefits relating to former staff and contains provisions payable to former employees forced to retire due to injury suffered in the workplace (£333,000) and the CRC scheme (£201,000).

36 Contingencies

	31 March 2014	31 March 2013
	£000s	£000s
Contingent liabilities		
Contingent liabilities - NHSLA	(123)	(133)
Net Value of Contingent Liabilities	(123)	(133)

The contingent liabilities represent the difference between the expected values of provisions for legal claims carried at note 35 and th maximum potential liability that could arise from these claims.

37 PFI and LIFT

The Trust has no PFI or LIFT commitments.

38 Impact of IFRS treatment - current year

The Trust has no transactions that require disclosure within this note.

39 Financial Instruments

39.1 Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the Trust has with Clinical Commissioning Groups and the way those Clinical Commissioning Groups are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

The Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Trust's standing financial instructions and policies agreed by the board of directors. The Trust's treasury activity is subject to review by the Trust's internal auditors.

Currency risk

The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The Trust has no overseas operations. The Trust therefore has low exposure to currency rate fluctuations.

Interest rate risk

The Trust borrows from government for capital expenditure, subject to affordability as confirmed by the strategic health authority. The borrowings are for 1 – 25 years, in line with the life of the associated assets, and interest is charged at the National Loans Fund rate, fixed for the life of the loan. The Trust therefore has low exposure to interest rate fluctuations.

Credit risk

Because the majority of the Trust's revenue comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 31 March 2014 are in receivables from customers, as disclosed in the trade and other receivables note.

Liquidity risk

The Trust's operating costs are incurred under contracts with Clinical Commissioning Groups, which are financed from resources voted annually by Parliament. The Trust funds its capital expenditure from funds obtained within its prudential borrowing limit. The Trust is not, therefore, exposed to significant liquidity risks.

39.2 Financial Assets	At 'fair value through profit and loss'	Loans and receivables	Total
	£000s	£000s	£000s
Embedded derivatives	0		0
Receivables - NHS		5,843	5,843
Receivables - non-NHS Cash at bank and in hand		6,430 2,200	6,430 2,200
Other financial assets	0	2,200	2,200
Total at 31 March 2014	0	14,473	14,473
Embedded derivatives	0		0
Receivables - NHS Receivables - non-NHS		0	0
Cash at bank and in hand		2,200	2,200
Other financial assets	0	0	0
Total at 31 March 2013	0	2,200	2,200
39.3 Financial Liabilities	At 'fair value through profit and loss'	Other	Total
	£000s	£000s	£000s
Embedded derivatives	0		0
NHS payables		1,969	1,969
Non-NHS payables		25,351	25,351
Other borrowings PFI & finance lease obligations		0	0
Other financial liabilities	0	322	322
Total at 31 March 2014	0	27,642	27,642
Embedded derivatives	0		0
NHS payables		233	233
Non-NHS payables Other borrowings		0	0
PFI & finance lease obligations		0	0
Other financial liabilities	0	0	0
Total at 31 March 2013	0	233	233

The fair value of financial assets and financial liabilities are equal to the carrying amount.

40 Events after the end of the reporting period

There are no material events after the reporting period that require adjusting or disclosing within these financial statements.

41 Related party transactions

During the year none of the Department of Health Ministers, trust board members or members of the key management staff, or parties related to any of them, has undertaken any material transactions with the Shrewsbury and Telford Hospital NHS Trust.

The Department of Health is regarded as a related party. During the year the Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. These entities are:

	Payments to Related Party	Receipts from Related Party	Amounts owed to Related Party	Amounts due from Related Party
	£000	£000	£000	£000
Shropshire CCG	0	121,893	0	1,139
Telford and Wrekin CCG	0	86,380	0	821
NHS England	81	48,706	78	980
Health Education England	0	11,070	0	111
NHS Litigation Authority	6,607	0	0	0
Shropshire Community Health NHS Trust	682	2,140	362	348
NHS Blood and Transplant	1,993	0	39	0
Robert Jones and Agnes Hunt Orthopaedic Hospital NHS Foundation Trust	1,211	1,808	275	417
University Hospital of North Staffordshire NHS Trust	1,152	450	414	84
Mid Cheshire Hospitals NHS Foundation Trust	961	0	158	0
South East Staffs And Seisdon Peninsular CCG	0	840	143	0
North Staffordshire Combined Healthcare NHS Trust	0	702	0	6

In addition, the Trust has had a number of material transactions with other government departments and other central and local government bodies. Most of these transactions have been with Shropshire Council and Telford and Wrekin Council for business rates.

The Trust had a number of material transactions with Welsh bodies for healthcare: Powys Local Health Board, Betsi Cadwaladr University Health Board and the Health Commission of Wales.

The Trust has also received revenue and capital payments from a number of charitable funds, certain of the trustees for which are also members of the Trust Board. The audited accounts/the summary financial statements of the Funds Held on Trust will be published separately.

42 Losses and special payments

The total number of losses cases in 2013-14 and their total value was as follows:

	Total Value of Cases	Total Number of Cases
	£s	
Losses	501,640	514
Special payments	140,755	74
Total losses and special payments	642,395	588
The total number of losses cases in 2012-13 and their total value was as fo	Total Value of Cases £s	Total Number of Cases
Losses	559,348	691
Special payments	98,152	57
Total losses and special payments	657,500	748

There are no cases individually over £250,000.

43. Financial performance targets

The figures given for periods prior to 2009-10 are on a UK GAAP basis as that is the basis on which the targets were set for those years.

43.1 Breakeven performance	2005-06 £000s	2006-07 £000s	2007-08 £000s	2008-09 £000s	2009-10 £000s	2010-11 £000s	2011-12 £000s	2012-13 £000s	2013-14 £000s
Turnover Retained surplus/(deficit) for the year	189,152 (12,142)	205,748 (2,840)	227,241 4,102	247,233 4,127	262,882 (11,652)	277,980 (325)	299,850 (1,167)	309,362 3,216	314,106 (2,906)
Adjustment for: Timing/non-cash impacting distortions:	(12,142)	(2,040)	4,102	7,121	(11,002)	(323)	(1,107)	3,210	(2,300)
Pre FDL(97)24 Agreements	0	0	0	0	0	0	0	0	0
2006/07 PPA (relating to 1997/98 to 2005/06)	0								
2007/08 PPA (relating to 1997/98 to 2006/07)	0	0							
2008/09 PPA (relating to 1997/98 to 2007/08)	0	0	(5,635)						
Adjustments for Impairments				30	12,364	351	1,053	2,148	3,170
Adjustments for impact of policy change re donated/government grants assets							173	(5,283)	(199)
Consolidated Budgetary Guidance - Adjustment for Dual Accounting under IFRIC12*					0	0	0	0	0
Adsorption Accounting Adjustment								0	0
Other agreed adjustments	0	0	0	0	0	0	0	0	0
Break-even in-year position	(12,142)	(2,840)	(1,533)	4,157	712	26	59	81	65
Break-even cumulative position	(22,675)	(25,515)	(27,048)	(22,891)	(22,179)	(22,153)	(22,094)	(22,013)	(21,948)

*Due to the introduction of International Financial Reporting Standards (IFRS) accounting in 2009-10, NHS Trusts' financial performance measurement needs to be aligned with the guidance issued by HM Treasury measuring Departmental expenditure. Therefore, the incremental revenue expenditure resulting from the application of IFRS to IFRIC 12 schemes (which would include PFI schemes), which has no cash impact and is not chargeable for overall budgeting purposes, is excluded when measuring Breakeven performance. Other adjustments are made in respect of accounting policy changes (impairments and the removal of the donated asset and government grant reserves) to maintain comparability year to year.

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
	%	%	%	%	%	%	%	%	%
Materiality test (I.e. is it equal to or less than 0.5%):									
Break-even in-year position as a percentage of turnover	-6.42	-1.38	-0.67	1.68	0.27	0.01	0.02	0.03	0.02
Break-even cumulative position as a percentage of turnover	-11.99	-12.40	-11.90	-9.26	-8.44	-7.97	-7.37	-7.12	-6.99

The amounts in the above tables in respect of financial years 2005/06 to 2008/09 inclusive have **not** been restated to IFRS and remain on a UK GAAP basis.

43.2 Capital cost absorption rate

The dividend payable on public dividend capital is based on the actual (rather than forecast) average relevant net assets and therefore the actual capital cost absorption rate is automatically 3.5%.

43.3 External financing

The Trust is given an external financing limit which it is permitted to undershoot.

External financing limit (EFL)	2013-14 £000s 21,260	2012-13 £000s 15,299
Cash flow financing Unwinding of Discount Adjustment Other capital receipts External financing requirement	21,230 20 0 21,250	13,060 0 (6,109) 6,951
Under Spend against EFL	10	8,348

43.4 Capital resource limit

The Trust is given a capital resource limit which it is not permitted to exceed.

	2013-14 £000s	2012-13 £000s
Gross capital expenditure	30,830	19,238
Less: book value of assets disposed of	0	0
Less: capital grants	0	0
Less: donations towards the acquisition of non-current assets	(1,150)	(2,839)
Charge against the capital resource limit	29,680	16,399
Capital resource limit	29,680	24,749
Underspend against the capital resource limit	0	8,350

44 Third party assets

The Trust held cash and cash equivalents which relate to monies held by the NHS Trust on behalf of patients or other parties. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	31 March 2014	31 March 2013
	£000s	£000s
Third party assets held by the Trust	2	1



INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF THE SHREWSBURY AND TELFORD HOSPITAL NHS TRUST

We have audited the financial statements of The Shrewsbury and Telford Hospital NHS Trust for the year ended 31 March 2014 on pages 1 to 43. These financial statements have been prepared under applicable law and the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to the National Health Service in England. We have also audited the information in the Remuneration Report that is subject to audit.

This report is made solely to the Board of Directors of The Shrewsbury and Telford Hospital NHS Trust, as a body, in accordance with Part II of the Audit Commission Act 1998. Our audit work has been undertaken so that we might state to the Board of the Trust, as a body, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of the Trust, as a body, for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of Directors and auditor

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements.

In addition we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of the Trust as at 31 March 2014 and of the Trust's expenditure and income for the year then ended; and
- have been properly prepared in accordance with the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to the National Health Service in England.

Opinion on other matters prescribed by the Code of Audit Practice 2010 for local NHS bodies

In our opinion:

- the part of the Remuneration Report subject to audit has been properly prepared in accordance with the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to the National Health Service in England; and
- the information given in the Strategic Report and Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Code of Audit Practice 2010 for local NHS bodies requires us to report to you if:

- in our opinion, the Governance Statement does not reflect compliance with the Department of Health's requirements;
- any matters have been reported in the public interest under the Audit Commission Act 1998 in the course of, or at the end of the audit.

We are considering whether to make a referral to the Secretary of State under section 19 of the Audit Commission Act 1998, on the grounds that the Trust has breached its statutory breakeven duty.

Conclusion on the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources

Trust's responsibilities

The Trust is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities

We are required under Section 5 of the Audit Commission Act 1998 to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice 2010 for local NHS bodies issued by the Audit Commission requires us to report to you our conclusion relating to proper arrangements, having regard to relevant criteria specified by the Audit Commission.

We report if significant matters have come to our attention which prevent us from concluding that the Trust has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements

for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our work in accordance with the Code of Audit Practice 2010 for local NHS bodies, having regard to the guidance on the specified criteria, published by the Audit Commission in April 2014, as to whether the Trust has proper arrangements for:

- · securing financial resilience; and
- challenging how it secures economy, efficiency and effectiveness.

The Audit Commission has determined these two criteria as those necessary for us to consider under the Code of Audit Practice 2010 for local NHS bodies in satisfying ourselves whether the Trust put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2014.

We planned and performed our work in accordance with the Code of Audit Practice 2010 for local NHS bodies. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all material respects, the Trust had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Basis for qualified conclusion

In considering the Trust's arrangements for challenging how it secures financial resilience, we identified that the Trust has delivered a surplus of £0.065m in 2013/14 only after the receipt of £4m of non-recurrent financial support. In addition, the Trust continues to be in breach of its cumulative breakeven duty and the Trust is budgeting for an £8.2m deficit in 2014/15. The Trust has also failed to deliver a number of operational targets throughout 2013/14, particularly the Accident and Emergency wait target.

Conclusion

On the basis of our work, having regard to the guidance on the specified criteria published by the Audit Commission in April 2014, and subject to the issues raised in the basis for qualified conclusion set out above, we are satisfied that, in all material respects, The Shrewsbury and Telford Hospital NHS Trust put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2014.

Certificate

We cannot issue an audit certificate until we have completed the work necessary to provide assurance over the Trust's annual quality accounts and have finalised our considerations in respect of making a referral to the Secretary of State under section 19 of the Audit Commission Act 1998. Completion of our limited assurance work on the annual quality accounts and our consideration of whether to refer matters to the Secretary of State are not expected to give rise to any issues which will have an impact on the statutory financial statements or on our use of resources conclusion.

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Andrew Bostock for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants One Snowhill Snow Hill Queensway Birmingham B4 6GH

6 June 2014

The Shrewsbury and Telford Hospital NHS Trust

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