The Shrewsbury and Telford Hospital NHS
NHS Trust

Putting Patients First

Annual Report and Annual Accounts 2014/15

The Shrewsbury and Telford Hospital NHS Trust

Annual Report and Annual Accounts 2014/15

Presented in accordance with the NHS Finance Manual: Manual For Accounts 2014/15 pursuant to the Companies Act 2006

Contents

Annual Report

Appendices:

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 or by email to communications@sath.nhs.uk or by writing to:

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

Part I. Strategic Report

Welcome from the Chair

For The Shrewsbury and Telford Hospital NHS Trust (SaTH), this last year has been both hugely heartening and challenging. The organisation has continued on its journey of improvement, with significant steps forward in quality, performance, finance and morale. My role is to hold the organisation to account on behalf of the people we serve, and I can tell you that the team – the doctors, nurses, scientists, managers, professionals of all varieties – show extraordinary commitment day in, day out. This is an organisation with a strengthening sense of itself, in which being "proud to care" is much more than a strapline. It is a set of people who are feeling increasingly able to do what is right.

It has also been a tough year. As we progress, the constraints under which SaTH operates become increasingly problematic. The Chief Executive's report sets the key issues out very clearly – I would encourage you to read it.

The NHS is an extraordinary creature – possibly the greatest gift that any generation has given to its successors at any point in history. Because it is so effective, we all demand more from it, not least since we are living longer as a result. As a consequence, there is a constant pressure on capacity and on the people of the organisation. And that means the system must continually transform itself, finding new ways to deliver more and safer services. So SaTH's challenges are not merely management issues, or a political responsibility, or a technical problem. The increases in demand, the opportunity to do more – these are the inevitable consequences of the system's success. What can we do about it? How do we continue the transformation and ensure that we hand the NHS on to our children in a good state? In my view, this is about all of us – the people of Shropshire, Telford & Wrekin and mid Wales – seeing health as a partnership. We must all take responsibility for ourselves (we only have the one body), our neighbours (stronger communities are healthier communities), and the health systems that serve us. If we believe that health is solely the responsibility of the professionals, there will come a point when those professionals will simply be unable to cope.

Here's the great thing. The SaTH team is not only the people that work for the organisation and the people who work for our partner organisations in the health system. It is the astonishing number of volunteers who support our work every day of the year. It is every patient and every visitor who takes the time to watch for things that are not right, to question and to challenge, to make this health business a shared endeavour. It is the brave families who look not for blame but for learning. It is the volunteers who make sure our elders are not left lonely, and who do not, as a direct result, end up in A&E. It is the people who give care back to those hard-pressed professionals who are providing care to them. It is the people who make it their business to understand the "two hospital" challenges we face, and to recognise the distinction between convenience and clinical outcomes. These are the people who recognise that the NHS does not belong to the politicians, to the administrators, or even to the doctors and nurses: that it belongs to all of us. We need more of this! The more SaTH is owned by all of us, the happier, safer, and more efficient it will be. If you are reading this, you are almost inevitably already one of those people who understands this point. I honour and thank you.

Two members of the SaTH board are stepping down very shortly. Dennis Jones, a non-executive director who took on the challenging role as Chair of Finance, has come to the end of his term of office. His wisdom, sense and resilience have been of enormous value to the board and to the organisation as a whole. I am very grateful for the work he has done. Peter Herring, our Chief Executive for the last 3 years, is taking retirement after 44 years of public service, with 35 of these in the NHS. He has led SaTH through some dark hours, having inherited a very difficult state of affairs. He has provided principled and exemplary leadership, as evidence the progress made during his tenure, the strong foundations laid for the future, the challenges identified and confronted. He will be greatly missed.

Peter Latchford, Chair

I.1 Chief Executive's Overview

As I write this overview I have only a few days before I retire after 44 years of public service, with 21 of those as a Chief Executive. The past three of these have been here at The Shrewsbury and Telford Hospital NHS Trust (SaTH), and it is an excellent opportunity for me to sum up in this report not only the past year but also to describe the position of the Trust looking forward.

As I leave the Trust I will look back with pride at the achievements of the past year, and indeed all three of my years with the Trusts, as well reflecting on the work still ahead to address the challenges that remain.

First and foremost, here at SaTH I have I have been struck by the tremendous passion and spirit of the people who work here. Earlier this year the Care Quality Commission highlighted that this was a "caring" organisation, with a "Good" rating for caring in their quality report. This certainly reflects my own experience in our wards and departments, and I feel proud of the Framework of Values that I have developed with the team here and which I hope will form a core part of my own legacy as they increasingly become embedded in strategy, decision-making, recruitment and development in the Trust.

Proud To Care
Make It Happen
We Value Respect
Together We Achieve

Our Care Quality Commission inspection report was very much the result we expected – a Trust that has good foundations of caring but that knows where it needs to improve. One of the main areas for required improvement was end of life care, and particularly the mortuary facilities at the Royal Shrewsbury Hospital. As a Board we have invested in a major improvement programme to this department that will conclude later this year.

Within the past year we have also seen the opening of the new Shropshire Women and Children's Centre at the Princess Royal Hospital in Telford in September – the final phase of the Future Configuration of Hospital Services programme that commenced with the Royal Shrewsbury Hospital become the Trust's main centre for acute and emergency surgery in 2012. This wonderful facility has come about thanks to the dedication and commitment of staff across the Trust and colleagues across the area. Thank you to everyone who helped to make it happen, and who was able to share in our Royal Opening by HRH The Princess Royal in January.

For NHS hospitals the quality and safety of our services must always come first, so I am delighted that we have been recognised as one of the CHKS Top40 hospitals for the third year running. This programme looks at measures of safety, clinical effectiveness, health outcomes, efficiency, patient experience and quality of care. This award is testament to the hard work of our clinical teams, and those who support them, particularly given the challenges that I will discuss later.

Some of the service developments during the year have helped to improve the life chance for people living in Shropshire. For example, investment in endobronchial ultrasound helps reduce travel for our patients who previously needed to attend regional specialist centres. Our

breast screening programme now covers women aged 47 to 73 (previously 50 to 70) given more women the opportunity for early diagnosis, which in turn increases the likelihood that treatment will be successful. We have also invested £1.2m in additional CT scanners at the Royal Shrewsbury Hospital, and we are delighted to have the continued support of the Lingen Davies Cancer Fund whose ACTION appeal will help to secure a third linear accelerator at the Royal Shrewsbury Hospital. We have also benefited tremendously from the continued support of the Friends of the Princess Royal Hospital and the League of Friends of the Royal Shrewsbury Hospital, as well as many other charities that aid the health and wellbeing of our patients and communities.

2014/15 has also been a year when we have taken additional steps to strengthen our workforce. In particular, we have put in place new training and recruitment programmes to help us develop and recruit the workforce of the future. Alongside events and campaigns to attract nurses and healthcare assistants to our hospitals, we won a regional award for our commitment to apprenticeships, and our "Get Into Hospital Services" programme in collaboration with The Prince's Trust helps people aged 18 to 25 who are ready to work but may not have the right skills. Another area where our commitment to our communities has been recognised is sustainability where our achievements led us to be shortlisted in five categories in the national NHS Sustainability Awards.

You can read more about these developments in the Sections I.3 to I.10 from our Executive Directors.

These achievements are particularly pleasing against the backdrop that this Trust continues to face. As a Board of Directors we have been very clear that the long-standing challenges we face in a number of key areas of service place critical pressure on the clinical and financial viability of our services and we – and our patients and communities –need a fundamental change to our operating model and a radical programme of modernisation if we are to meet these challenges and cope with the growing impact of an ageing population.

Our main challenges relate to:

- The provision of emergency, acute medical, and critical care services across two relatively small acute sites causing:
    - The inability to recruit and medically staff to satisfactory levels in the Emergency Departments, Acute Medicine and Critical Care;
    - Inability to maximise senior clinical review and achieve optimal operational performance;
    - A significant financial impact of duplicated costs.
- The deficit in bed capacity across both hospitals, but most acutely at the Royal Shrewsbury Hospital, which:
    - Adversely affects operational performance of A & E and delivery of Waiting times for elective care;
    - Makes the Trust vulnerable to financial penalties and quality issues;
    - Damages staff morale and distracts management from transformational change;
    - Significantly reduces elective activity with an associated loss of income and a premium cost of 'catch-up' work through Waiting List Initiatives;
    - Creates demand for additional unplanned escalation capacity with associated costs and reliance on expensive agency nurses.
- The underlying financial deficit and duplicate costs and cost-inefficiency of the current service model, combined with a historic lack of resources to invest sufficiently in capital equipment, Information Technology and the estate.

The Trust has made considerable progress across a number of areas:

- The NHS Future Fit programme for the longer-term centralisation of Emergency and Acute services has progressed well but the current timescales for delivery of the preferred solution remain some time away;
- The delivery of Referral To Treatment (RTT) and Cancer standards has significantly improved;
- Levels of staff engagement have improved;
- There is a generally improving picture in the quality of services and reductions to patient harm;
- The liquidity position of the Trust has been improved for the foreseeable future.

Our key areas of challenge nevertheless remain, the achievement of the A&E access target, sustaining clinical services pending the service configuration that will arise from NHS Future Fit and improving the financial position of the Trust.

Without action across the whole health system, these issues are likely to become more acute due to the growing needs and expectations of an increasing elderly population within a continued environment of financial austerity.

Our path towards long-term sustainability will be greatly influenced by the plans of the health and social care commissioners, and other healthcare providers, to minimise demands on hospital services and mitigate the potential impact of the ageing population through alternative models of care. Our local commissioners have stated their commitment to transformational change and these plans include:

- Strengthening integrated services to effectively case manage patients with long-term conditions, and provide more planned care out of hospital settings;
- Redesigning integrated Health and Social Care services to support more urgent care closer to home to avoid hospital admission where possible, and to facilitate rapid discharge;
- Reconfiguring hospital services so that acute and community hospital care services are safe and sustainable, and meet all quality and performance requirements;
- Minimising the impact of structural and professional boundaries, so that all parts of the Health and Social Care system work to ensure a patient-centred approach to care delivery;
- Implementing shifts in resources along with the shift in focus from 'illness to prevention', and 'hospital to community';
- Focusing on an appropriate response to Urgent Care with a particular focus on Frail Older People, ambulatory care and patient flow;
- Focusing on the NHS Outcome Framework and compassion in practice to deliver safer care;
- Focusing on an appropriate model for End of Life care;
- Developing pathways that limit or mitigate activity growth.

NHS Future Fit and Our Vision for Clinical Services

Working with Shropshire Clinical Commissioning Group, Telford & Wrekin Clinical Commissioning Group, Shropshire Community Health NHS Trust and Powys Teaching Health Board we have established a formal clinical services review process, NHS Future Fit, examining future models for acute and community hospital provision.

We have developed a vision for acute services that will produce an innovative service model for the more specialist and complex components of our services, combined with a unique model of care that distributes less complex urgent care and ambulatory and outpatient services closer to people's homes.

There is real consensus that to achieve long-term sustainability the Trust needs this fundamental change to its operating model and a radical programme of modernisation to ensure that:

- Sufficient critical mass in the configuration of services is created to ensure that safe and efficient staffing levels can be achieved, sustained over the long-term, and recruited to;
- Essential clinical adjacencies are achieved – i.e. unless the important clinical relationships are readily available between clinicians and departments and their physical location works, then services to patients will be sub-optimal;
- Early and regular review by senior clinicians is achieved as comprehensively as possible with services consistently provided across 7 days of the week for the review of patients and to support their ongoing care and discharge;
- The bed, theatre, outpatient, Emergency Department and Critical Care capacity of the Trust is sufficient to meet the demands of the present, and those of the future, with sufficient flexibility to safely manage surges and peaks in activity and the potential impact of epidemics or major incidents;
- As many services as possible are provided in an outpatient, day service, or ambulatory fashion minimising the need for expensive bed capacity;
- Once the patient's period of specialist care is complete, services and facilities must exist to speedily 'step-down' the patient to alternative accommodation or to their place of residence with support;
- Where centralisation of the most complex procedures will produce benefit to patients we must support, or indeed be the centre of, such centralisation even if it means patients travelling further;
- That maximum deployment of innovation and technology is achieved;
- Wherever practical and cost-effective services are provided as close as possible to the patient.

The agreed clinical model for NHS Future Fit (FF) embodies the development of a network of Urgent Care Centres supported by a single Emergency Centre. The short-listed scenarios include options for developing existing hospital sites as well the establishment of a new Emergency Centre between Shropshire and Telford.

When we initiated FF in early 2013 we anticipated a far faster timescale to identify a preferred solution. However, the programme of work and public engagement has meant that the choice of the preferred option is now expected to be made later in 2015, with consultation commencing in December 2015 and an outcome to consultation in April/May 2016.

The highest risk the Trust has carried for many years, however, is that there may come a 'tipping' point when we are unable to safely medically staff the two Emergency Departments or Critical Care Units, although potential staffing issues in Acute Medicine are also a major pressure point. We believe, therefore, that the clinical safety and quality imperatives demand a more radical timeframe for delivery and this will be a key part of our strategy for 2015/16.

In the meantime we will mitigate the risks we face by:

- Seeking an immediate solution to the current bed capacity deficit;
- Improving the way we deliver services in acute and general medicine combined with early implementation of some of the new ways of integrated working that are within the NHS Future Fit clinical model;
- Developing Urgent Care Centres at our hospital sites with an extended range of working;
- Continuing to mitigate the risks in key staff groups.

I am optimistic that the key issues regarding our bed capacity deficit and its impact on performance and our staff can be resolved and I am also confident that the once in a generation opportunity of Future Fit will produce a sustainable solution for acute services for Shropshire, Telford & Wrekin and mid Wales for the coming decades.

The staff here at The Shrewsbury and Telford Hospital NHS Trust provide an amazing service to our patients and their relatives and friends, often under very challenging circumstances, and I have been proud to serve them, the Trust, our patients and communities for the past three years and wish you all the very best for the future.

Peter Herring, Chief Executive

I.2 About 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. During 2013/14 it became our main centre for inpatient women and children's services following the opening of the Shropshire Women and Children's Centre in September 2014.

During 2012/13, 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.

Together the hospitals have just over 800 beds and assessment & treatment trolleys.

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.

Our People

We employ over 5000 staff, and hundreds of staff and students from other organisations also work in our hospitals. In 2014/15 our actual staff employed (headcount) increased by 79 to 5592. When taking into account those employed on part-time contracts, the full time equivalent (fte) number increased by 91 to 4741. Our substantive workforce at 31 March 2015 included approximately:

- 571fte doctors and dentists (12.0%), an increase of 26fte compared with 2014;
- 1383fte nursing and midwifery staff (29.2%), an increase of 13fte;
- 611fte scientific, technical and therapies staff (12.9%), an increase of 7fte;

- 1242fte other clinical staff (26.2%), an increase of 40fte;
- 934fte non-clinical staff (19.7%), an increase of 10fte.

In addition to this the available workforce at year end included over 750 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 64% of expenditure, a slight decrease on the previous year. One of our key priorities continues to be to reduce our pay costs by reducing our reliance on agency workers. We have seen a successful programme of nursing recruitment during the latter part of the year which we expect to bear dividends during 2015/16.

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 Finances and Activity

With a turnover in the region of £316.8m in 2014/15 we saw:

- 57,042 elective & daycase spells;
- 52,206 non-elective inpatient spells;
- 6,185 maternity episodes;
- 360,706 consultant-led outpatient appointments; and,
- 113,187 accident and emergency attendances.

More information about our activity is provided overleaf whilst further information about our financial performance during the year is included in Section I.9.

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, our strategy during the year was 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.

During the year we refreshed and updated our strategy. Further information is available in Section I.11 of this report.

Our Board and Leadership

Strategy and oversight is provided by our Trust Board, with a majority of Non-Executive members including a Non-Executive Chairman appointed from local communities and networks by the NHS Trust Development Authority on behalf of the Secretary of State. Executive members with voting rights at the Trust Board are the Chief Executive, Director of Nursing and Quality, Medical Director, Chief Operating Officer and Finance Director. More information about our board membership is available in Section II.1 of this report.

Our Values

Underpinning our strategy is our framework of Values, which was developed with staff and patients during 2013/14 and has become increasingly embedded during 2014/15:

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

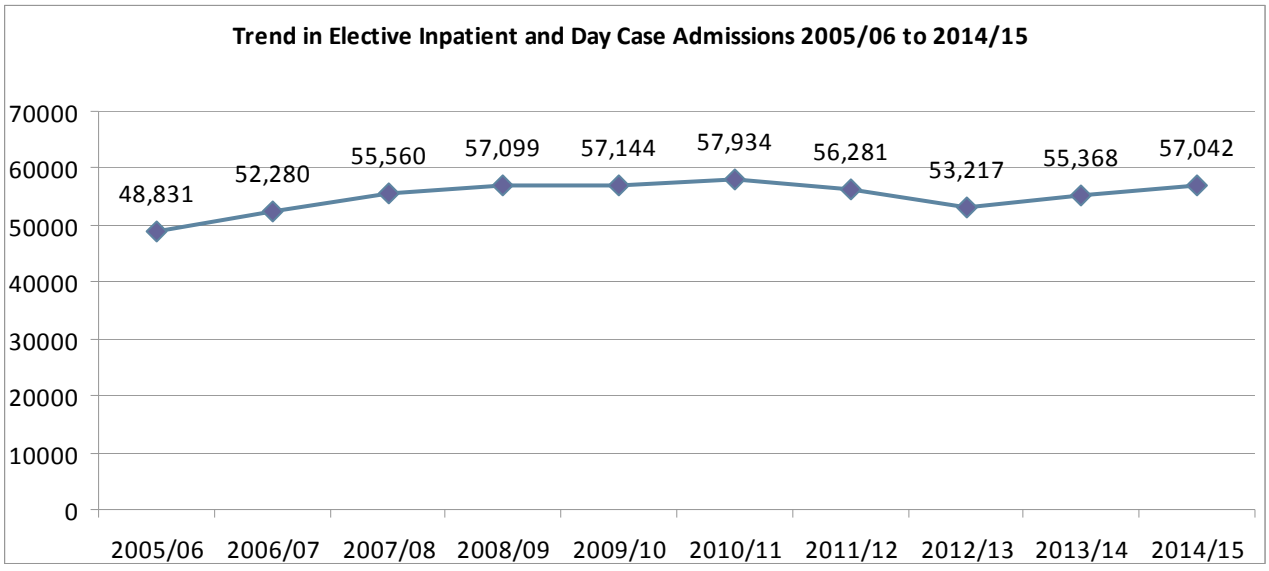
More information about the range and quality of our services is available on our website at **www.sath.nhs.uk**

Summary of Service Activity in the year ended 31 March 2015

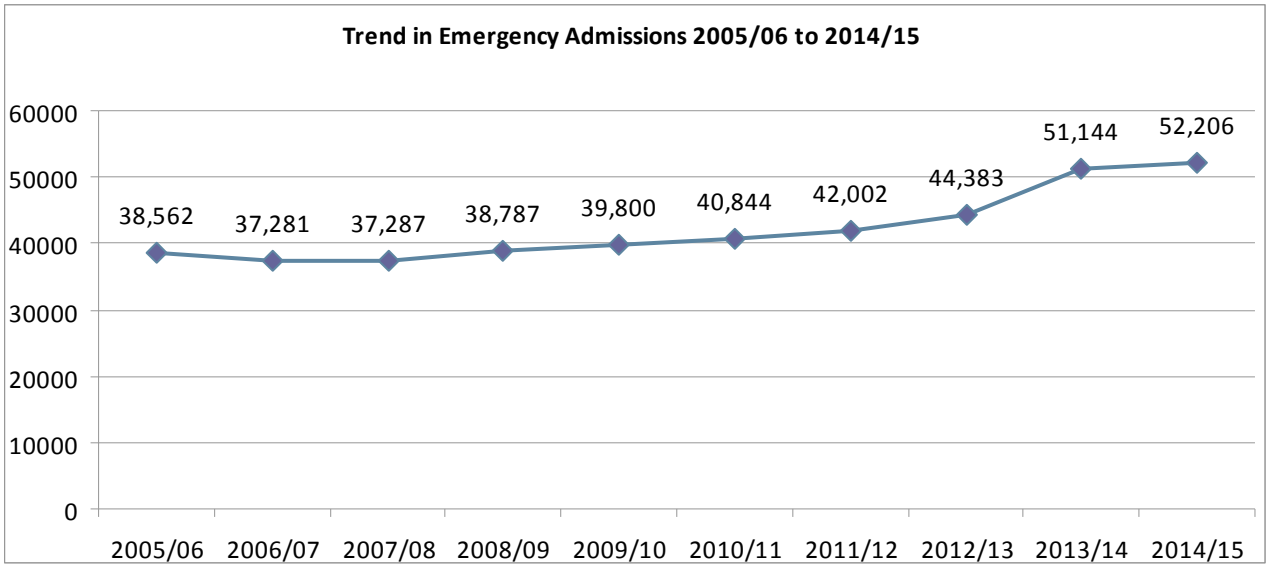
Table I.2a	Consultant-Led Patient Activity by Specialty				
		Inpatient/Daycase		Outpatient	
Centre	Speciality	2013/14	2014/15	2013/14	2014/15
Diagnostics	Chemical Pathology	0	0	674	587
Emergency	A&E Outpatient & Spells	1,121	1,089	3,548	3,486
Head & Neck	Audiological Medicine	0	0	2,453	1,706
	ENT – Adult	2,972	2,888	20,078	21,347
	ENT - Child	0	0	227	34
	Maxillofacial Surgery	798	852	614	732
	Oral Surgery	771	1,144	9,207	11,783
	Orthodontics	0	0	7,769	7,116
	Ophthalmology – Adult	3,207	3,554	41,394	41,343
	Opthalmology – Child	1	54	6,861	6,488
	Ophthalmology - Medical	4	3	3	1
	Restorative Dentistry	0		614	595
Medicine	Cardiology	2,376	2,572	16,778	23,198
	Cardiothoracic Surgery	1	0	1,179	1,159
	Dermatology - Adult	7	3	15,241	16,733
	Dermatology – Child	2	1	147	208
	Diabetic Medicine	11	17	4,819	5,211
	Endocrinology	94	131	2,152	2,276
	General Medicine inc Stroke	22,793	22,965	7,623	8,605
	Geriatric Medicine	37	127	2,387	3,443
	Nephrology	141	177	4,015	5,181
	Neurology	401	361	7,818	8,067
	Rehabilitation	105	42		
	Respiratory Medicine	518	790	8,060	9,434
	Respiratory Physiology	1		33	179
Musculo-skeletal					
	Pain Management	906	731	2,882	1,781
	Rheumatology			1,098	101
	Trauma and Orthopaedics	6,622	6,549	52,818	53,028
Surgery, Oncology & Haematology	Breast Surgery	896	903	13,629	15,041
	Colorectal Surgery	997	793	7,557	7,835
	Gastroenterology	14,551	16,126	8,116	8,211
	General Surgery	8,562	6,664	3,474	1,583
	Hepatology/Hepatobiliary	3	7	1,230	1,371
	Neurosurgery	614	1,777	163	180
	Plastic Surgery	53	1	795	14
	Upper GI Surgery		3	3,384	4,386

	Urology	4,672	4,912	14,872	16,029
	Vascular Surgery	716	835	5,392	5,613
	Clinical Haematology	5,870	6,081	9,161	9,968
	Clinical Oncology	8,992	9,916	12,412	14,907
	Medical Oncology	643	558	2,712	1,451
Anaesthetics	**Anaesthetics**		1	291	222
Women and Children	**Gynaecology**	4,177	3,920	13,874	18,837
	Gynae Oncology	9	4	5,893	5,845
	Obstetrics / Maternity	6,532	6,185	12,556	823
	Neonatology	92	486	13	232
	Paediatrics	12,985	12,242	19,258	14,213
	Psychotherapy			81	112
Total		113,256	115,505	355,353	360,706

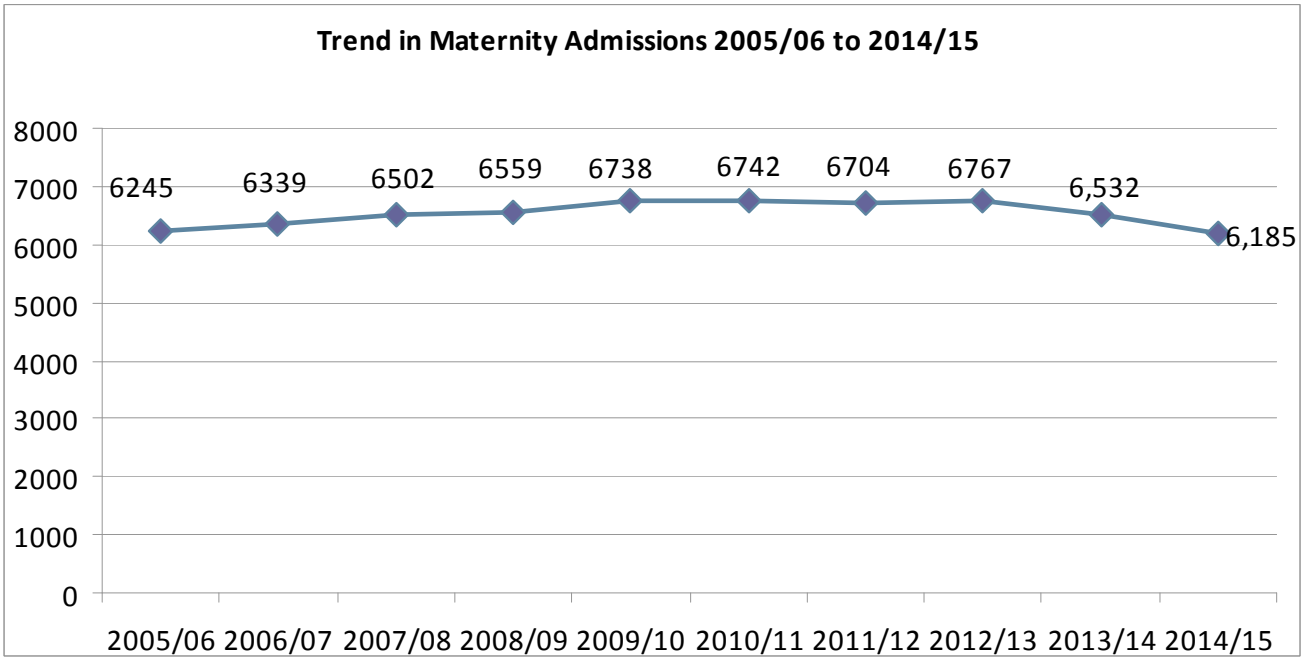
The graphs below show trends in activity from 2005/06 to 2014/15:



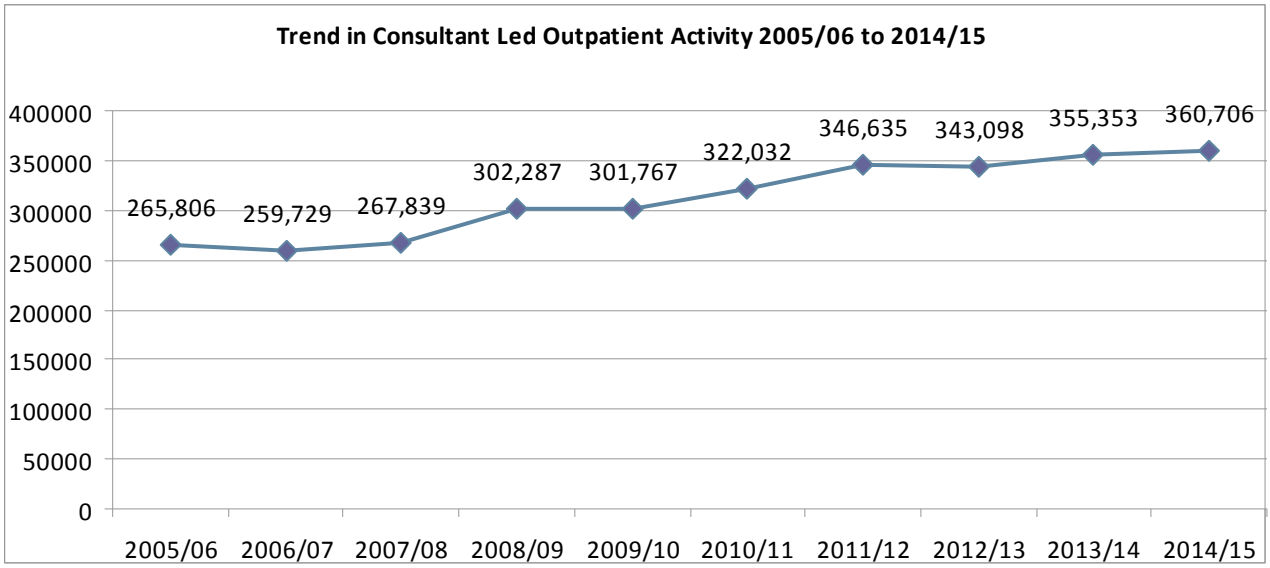
Elective and daycase activity has shown a 3% increase in 2014/15 following a 4.6% increase in the previous year. This follows two years of reduction from a peak of 57,934 in 2010/11.



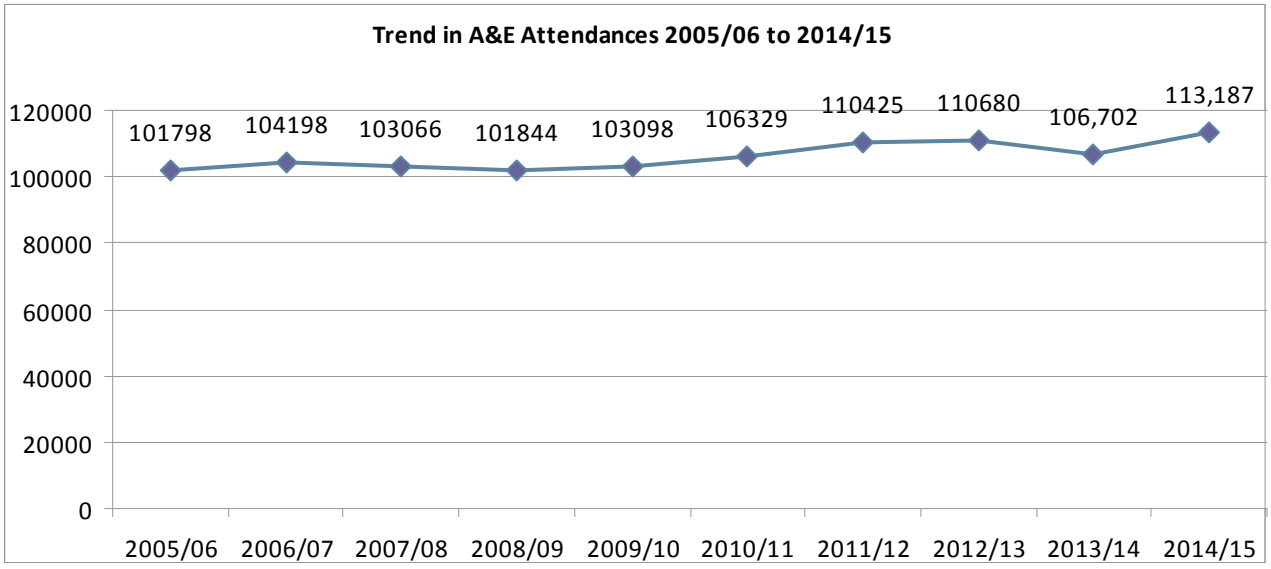
There has been a consistent rise in emergency admissions over the last seven years from 37,281 in 2006/07 to 52,206 in 2014/15, including a 2% increase from 2013/14 to 2014/15.



Maternity episodes have reduced by 5% from 2013/14 activity.



Apart from a small dip in 2012/13 year, there has been a general upward trend in consultant-led outpatient activity since 2006/07, including a 31.5% year-on-year increase from 2013/14 to 2014/15.



After a reduction in 2013/14 (reflecting changes in admissions pathway during 2013/14 with GP referrals admitted directly to the admissions units rather than via the Accident and Emergency Department), A&E attendances increased by 6% to their highest ever levels, compound by the higher acuity of patient need.

I.3 Director of Nursing and Quality's Report

As Director of Nursing and Quality I have Board-level responsibility for patient safety and patient experience in the Trust, including complaints, safeguarding and infection prevention & control. My role also includes Board-level leadership and support for the nursing, midwifery and allied health professionals workforce across the Trust. – Sarah Bloomfield, Director of Nursing and Quality

The past 12 months have been challenging but despite this we have still managed to move forward overall in terms of quality. In the last 12 months we've taken some really positive steps to recruit more nursing staff and kept infection rates low.

Over the past 12 months we have made some really positive progress in quality and safety which benefit our patients — and we have also taken some major strides in our efforts to recruit more permanent nursing staff.

Whilst the year was challenging—due in part to our need to recruit more staff, and high demand on our services—the fact we are really moving forward is something to be proud of. Clearly, there are still things we would like to do better and we're committed to continuing our journey and taking more positive steps in 2015/16 and beyond.

Our Quality Account 2014/15 (included in the appendices to this Annual Report) goes into more detail about the improvements we have made over the last 12 months and our plans going forward and can also be found on our website at www.sath.nhs.uk

Here, I will provide an overview of some of the significant developments from the past 12 months.

The importance of patient feedback:

The views of the patients we are here to serve are incredibly important to us and help us to understand where people feel we are doing well and where we need to improve.

The national Care Quality Commission (CQC) Inpatient Survey 2014 results were recently published and we are now about the same as other Trusts in the country in all of the categories, which is a positive step forward. We also continue to receive a lot of feedback directly to the Trust, and whilst some of this is negative I'm pleased that a lot of it is some really positive feedback from people who have been delighted with the care they have received.

We're also working in partnership with St George's Hospital in London on a national cancer patient experience improvement project, which we expect to bring benefits over the coming months.

Our response rate has also improved for the NHS Friends and Family Test, which is an opportunity for people to provide feedback about the services we offer, which is reassuring. Throughout the year we maintained our actual score in the mid-to-high 90s, which shows that patients, their relatives and friends are pleased with the care and experience our staff provide.

Preventing infections and falls:

Last year I explained how we remained committed to eliminating all hospital acquired avoidable Grade 3 and Grade 4 pressure ulcers, and further reducing the

occurrence of Grade 2 pressure ulcers year-on-year.

I'm really pleased that, at the time of writing, we haven't had an avoidable Grade 4 pressure ulcer since April 2013, and we have also beaten our target to reduce Grade 2 pressure ulcers by 20% (we had 47 in 2013/14 and 20 in 2014/15—our target was no more than 35). However, we still have some work to do to eliminate Grade 3 pressure ulcers.

We hit our own target to have no more than 30 Clostridium difficile (C. diff) infections in 2014/15 (we had 29). The target we were set externally was to have no more than 38 during the year, so we're pleased with our achievement. For 2015/16 we've set a target of having no more than 25, which will be really challenging—but it is a challenge we're determined to rise to.

Unfortunately, we have exceeded our target for the number of falls resulting in serious harm. These falls are resulting in less serious harm, but clearly we're disappointed that we have not seen the reduction in the number of falls. We're rolling out a new falls safe risk assessment for our nursing staff to use and now have a permanent falls practitioner in the Trust to help us reduce falls, which is a really positive step.

Care Quality Commission Inspection:

In October 2014 we were inspected by the Care Quality Commission (CQC). As you will all be aware the Trust as a whole and individually the Royal Shrewsbury Hospital and Princess Royal Hospital in Telford were rated as Requires Improvement by the CQC. However, whilst the report outlined areas where we need to improve, it also included a number of highlights, not least in the almost universal praise for our staff, as we were rated GOOD for Caring. We're on target with all of our actions following the inspection. One of the key elements to help us achieve a good rating overall when we are next inspected is to fill our vacancies.

We recruited more than 150 Staff Nurses and Health Care Assistants (HCAs) in the last few months of the year alone, and are well on the way to filling our vacancies. We believe we will fill most of our vacancies by the end of 2015 and that will make us feel more positive about ensuring we are achieving the best standards of care. Once our new recruits start work with us, we can expect our progress on quality and safety overall to be even quicker as well.

Sarah Bloomfield, Director of Nursing and Quality

Progress Against Operational Objectives 2014/15

I was the lead director for the following operational objectives during the year:

2014/15 Strategic Priority	Operational Objective 2014/15	Annual Review Of Progress
Reduce harm, deliver best outcomes and improve patient experience through our Quality Improvement Strategy	Reduce the level of harm to patients, and particularly that resulting from falls, through the use of the Safety Thermometer	• Trust performance and trends in the number of patients reported as receiving harms is regularly reported through the use of the Safety Thermometer. • Significant work has taken place to reduce falls; Fallsafe training is ongoing, more than 700 staff have now received training. Patient Information Leaflets have been reviewed and updated and the Staff Falls Information Leaflet has been distributed to all qualified nursing staff and HCAs, including those on the Temporary Staffing bank.
	Reduce the number of healthcare associated infections	• The Trust has continued to improve performance with regard to reducing healthcare associated infections. The number of C. diff cases this year was well below the national target. There have however been 2 MRSA Bacteraemia cases (national target is zero). • The Trust has consistently achieved hand hygiene targets and is making good progress in other compliance areas. Monthly audit processes are in place to monitor the patient environment to reduce infection risks.
	Implement effective systems to engage and involve patients, relatives and carers as equal partners in care	• The Friends and Family Test (FFT) response rate for inpatients has improved throughout the year but is below the planned target. Electronic solutions to improve response rates further have been developed. • 6 Listening Events were held in the Autumn across Shropshire and Powys and these events are planned to be held annually. Health Watch, our commissioners and carers' groups were actively involved in the planning and running of the events. 110 patients, carers and service users attended.
	Improve care of the dying through implementation of best practice	• Following the introduction of the new End of Life Plan in October, we have commenced a programme of training and support to roll out and implement this across the Trust. • The wider End of Life Care Programme continues to deliver a number of improvement projects including mortuary viewing area refurbishment, equipment availability and a review of anticipatory (just in case) medications. • The Defined Ceiling of Treatment and Allow Natural Death Policy was published in October 2014.
	Develop robust plans to recruit to establishment to ensure safe staffing levels	• The safe staffing levels trajectory has been completed and the Trust continues to monitor and test hospital staffing fill rates on a monthly basis alongside the safe nurse indicators. • Significant work has taken place to recruit staff locally and through overseas recruitment campaigns in Spain, Portugal, Italy and the Philippines. To date the Trust has successfully recruited close to 100 additional qualified nurses and approximately 70 healthcare assistants.

Performance Against Key Targets 2014/15

These are the main Key Performance Indicators that I report to our Trust Board meetings in public during the year through our Summary Performance Report:

	Summary of Performance in Year Ended 31 March 2015				
Domain	**Indicator**	**Numerator / Denominator**	**Data Source**	**Thresholds**	**Performance in Year Ended 31 Mar 2015**
Infection Prevention and Control	MRSA	Actual number of MRSA vs. planned trajectory for MRSA	HPA returns	Performing: No MRSA bacteraemias; No more than 38 C. diff (internal stretch target of 30)	2 cases
	C. diff	Actual number of C. diff vs. planned trajectory for C. diff			29 cases
Quality of Care	Duty of Candour	Number of breaches of duty of candour		Performing: 0	0
	Breaches of same sex accommodation	The number of breaches	Collection via UNIFY	Performing: 0	0

More detailed performance measures are included in the Quality and Safety section of our Integrated Performance report presented to each ordinary meeting of the Trust Board, with further review and assurance through the Trust Board's Quality and Safety Committee. Further information about quality performance can be found in our Quality Account 2014/15 which is included at Appendix 1 to this Annual Report.

Overview of Quality and Safety Performance during the year

We aim to be an organisation that delivers high quality, clinically effective and safe care. This is partly achieved by continuous monitoring and learning that provides valuable insight into areas for improvement.

We regularly monitor our improvement plans through our Patient Engagement and Involvement Panel feedback, our Ward to Board audits, our Quality and Safety Committee and through the Trust Board. Our Quality Account reflects the progress we have made against our priorities for the year, including:

- Listening to and taking seriously the experiences of patients, relatives and carers in order to understand where we went wrong and could do better;
- Improvements in the care of patients living with a diagnosis of dementia and developing dementia-friendly hospitals;
- Improvements in the care of patients at the end of their lives with the experiences of relatives and carers during this difficult time;
- Improvements in the quality and safety of care provided through safe and effective staffing levels.

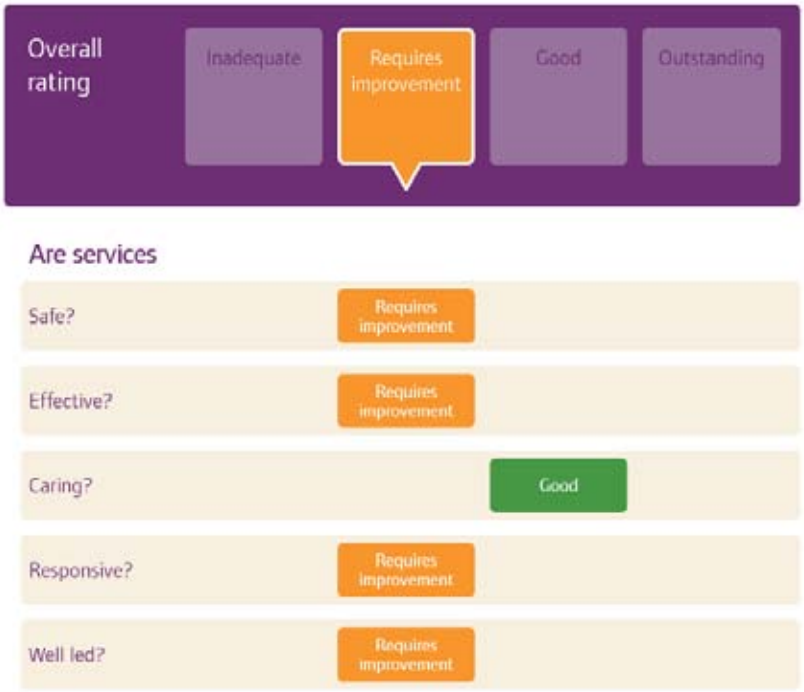
Despite the number of falls within the Trust being unchanged during 2014/15, there has been a 10% decrease in the number of falls reported since monitoring began in 2012. Using the number of falls against recorded bed days activity which is benchmarked against the average number of falls in acute Trusts in England; the Trust is well within the norm of 5.6 falls per 1000 bed days.

The Trust has shown a 65% improvement of acquired avoidable pressure ulcers across Grade 3 and 4, compared to the same time period last year. Again, using benchmarking data available from the national point prevalent Safety Thermometer; in the last 12 months the Trust has been regularly below the national average for new acquired pressure ulcer prevalence across all Grades. It is recognised nationally that the rate of improvement for healthcare acquired infections has slowed over recent years. Infection prevention and control experts from within the NHS and from Public Health England advise that this is likely to be due to a

combination of factors including the biology and epidemiology of organisms and that a further reduction of cases reported may be approaching an irreducible minimum level regardless of the quality of care provided. That said, the Trust has seen improvements in the number of Clostridium Difficile (C. diff) reported during 2014/15 with the Trust reporting 29 cases for the year against an internal target of 30 and an external target of 38. This unfortunately cannot be said for Methicillin Resistant Staphylococcus Aureus (MRSA) whereby the Trust reported 2 cases during 2014/15 against an external target of 0.

There were 109 Serious Incidents (SIs) reported for 2014/15 compared with 144 SIs reported in the same period for 2013/14. Using benchmarking data available on the National Reporting and Learning System (NRLS), during 2014/15, the Trust was found to be below the national average for reported incidents compared to all large acute Trusts for patient incidents.

Following sustained pressure and demand across the Trust within the Emergency Departments (EDs) in the latter part of 2014/15, 19 of the serious incidents reported related to 12 hour trolley breaches. Following a full review of all the trolley breaches, none of the patients were found to have received sub-optimal care or were harmed as a result of waiting. However, it is recognised by the Trust that the experience for those patients waiting within the Emergency Department would not have been positive.



As part of the new approach to hospital inspections by the Care Quality Commission (CQC), the Trust underwent an announced visit on the 14th – 16th October 2014. The team of 35 inspectors visited a range of wards and departments at both the Royal Shrewsbury and the Princess Royal Hospital. They also inspected Ludlow, Bridgnorth and Oswestry Midwifery Led Units (MLUs).

Our Trust level ratings are shown on the left, and further information is available from our website at **www.sath.nhs.uk/cqc**

The inspection team identified a number of areas where essential standards of quality and safety required action and improvement. Individual service improvement plans will be monitored and maintained within the Trust Care Groups, with an overarching strategic plan monitored by the Quality and Safety Committee and Trust board.

During 2014/15 the Trust has continued to focus on improving the way in which we respond to complaints from patients and their families. Our aim is to ensure that the feedback we receive is used to improve the quality of care and safety of our patients.

The Trust has seen a downward (improving) trend in the number of formal complaints received with a 15% (377) reduction compared to 2013/14 (477). We have also focused on improving our responsiveness to

complaints with 96% of complaints responded to within the timescale agreed with the complainant; compared with 75% from the previous year

When we were told we needed to improve our understanding of the needs of our patients, carers and families:

- We introduced the Butterfly Scheme across the Trust to enhance the care and patient experience of patients with dementia and ensured care givers were aware of additional support available to them;
- We have provided dementia training to clinical and non-clinical staff to give them knowledge and skills to better care for patients with dementia;
- We worked with carers representative groups to launch a carer's passport for family members or carers who wanted better access to the wards;
- Provided training to new and existing registered nurses on how to get the best outcomes for the patient when they go home;
- Involved the Patient Engagement and Involvement Panel in improvement work on wards through a buddying partnership with individual wards;
- We are taking part in a national initiative by establishing a learning partnership with St Georges' University Hospitals NHS Foundation Trust in London to support improvements in patient experience.

I.4 Medical Director's Report

As Medical Director I have Board-level responsibility for clinical outcomes, performance and effectiveness across the Trust as well as leadership of the medical and clinical science workforce. My portfolio includes research, development & innovation; medical education & training; and I am the Trust's Caldicott Guardian responsible for safeguarding patient information. – Dr Edwin Borman, Medical Director

Over the last year, the clinicians at SaTH have seen many changes and have achieved much for our patients.

This has been recognised by the third of the Trust's CHKS Top 40 awards. The award recognises our achievements in care for our patients that doctors, nurses and therapists provide. It is based on the evaluation of 22 key performance indicators covering safety, clinical effectiveness, health outcomes, efficiency, patient experience and quality of care. Being recognised in this way for the third time is a considerable achievement!

The areas that would have been considered include:

- mortality rates that consistently have been below (better than) national and peer average;
- lower than average length of stay, hence less time in hospital for our patients;
- an above average record for quality and safety of care.

This can only be achieved by teams of clinicians who are heavily motivated to putting patients at the centre of the care that they provide and by focusing on the best care possible. I'm pleased to report that, during this year, we have been able to recruit many excellent new consultants and speciality doctors who will help the Trust develop further in the future.

We have also seen the Trust recognised for its work in research, development and innovation by being included within the top 100 Trusts in the country. We are running more clinical trials and enrolling more patients in these than ever before, contributing to the development of academic understanding of clinical conditions and their treatment.

Over the last 12 months, the doctors at SaTH have become more used to the requirements of appraisal, job planning and revalidation and we now have robust and reliable systems in place for each of these. This is particularly important as the main rationale for revalidation is the assurance that doctors are maintaining their continuing fitness to practice. As Responsible Officer for revalidation, I have confirmed for the Trust Board that we do now have the means of doing so.

The clinicians at SaTH are working with considerable challenges, generated by the current requirement to provide acute services on each of our two sites. This provides the basis for the clinicians' model represented in NHS Future Fit for a single emergency centre and a specific treatment centre for elective care. They believe that eventually we will need to move towards a single site if we are to achieve the very best results for our patients that we all want to see.

The implementation of this model would, we believe, provide better care for all for the foreseeable future and we look forward to the outcome of the public consultation that, we hope, will support this approach.

Dr Edwin Borman, Medical Director

Progress Against Operational Objectives 2014/15

I was lead director for the following Operational Objectives during the year:

2014/15 Strategic Priority	Operational Objective 2014/15	Annual Review Of Progress
Reduce harm, deliver best outcomes and improve patient experience through our Quality Improvement Strategy	Further reduce avoidable deaths by learning from Mortality Reviews	• We have seen an improvement in our performance regarding mortality over the last four years and we now are consistently lower than our peer comparators. Robust processes and frameworks are in place to ensure learning at all levels of the organisation. • A review of the outlier identified in the CQC Intelligence Monitoring Report regarding Nephrology mortality was undertaken and an Action Plan has led to improvements.
	To improve the clinical outcome of patients with Fractured Neck of Femur: 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	• The rates of achievement against the Fractured Neck of Femur best practice criteria have improved at RSH and work is progressing at PRH. • The Trust has not yet been able to appoint a consultant geriatrician, specifically to support best practice, however a staff grade Orthogeriatrician joined the team in March and recruitment plans are progressing to further expand the team.

Performance Against Key Targets 2014/15

Here are the main Key Performance Indicators that I present to meetings of the Trust Board:

	Summary of Performance in Year Ended 31 March 2015				
Domain	**Indicator**	**Numerator / Denominator**	**Data Source**	**Thresholds**	**Performance in Year Ended 31 Mar 2015**
Quality of Care	Publication of formulary	Publication of formulary		Performing: Yes	Yes
	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%	94.66%
	Valid NHS number submitted in acute datasets	Number of spells or attendances without valid number / Total number		Performing: 99%	99.80%
	Valid NHS number submitted in A&E datasets	Number of attendances without valid number / Total number		Performing: 95%	98.60%

More detailed performance measures are included in the Quality and Safety section of our Integrated Performance report presented to each ordinary meeting of the Trust Board, with further review and assurance through the Trust Board's Quality and Safety Committee and Clinical Governance Executive. Further information about quality performance can be found in our Quality Account 2014/15 which is included at Appendix 1 to this Annual Report.

I.5 Chief Operating Officer's Report

As Chief Operating Officer I have Board-level responsibility for service delivery across the Trust, leading our Clinical Care Groups which provide hospital and wider services for around half a million people across Shropshire, Telford & Wrekin and mid Wales. I also have executive responsibility for major incident planning. – Debbie Kadum, Chief Operating Officer

Our hospitals have emerged from one of the busiest winters for a long time. Like Trusts up and down the country, we experienced incredibly high demand for our services for a prolonged period. Indeed, the Christmas and New Year period was one of the busiest that many of us can remember.

As with last year, a great deal of planning was carried out to ensure we were as prepared as we could be for the winter period. But that can only go so far and our resources are not infinite. So when we see such a large increase in demand, it is an unfortunate fact that this will impact on some services.

Last winter was relatively mild so, if we look at the more comparative period of 2012/13, in the six months from October to March we saw over 7,000 additional patients in our Emergency Departments – a total of more than 60,000 people.

One step that we, as a local health economy, took to help address these increasing numbers was the relocation of the Shropshire Walk-in Centre next to the A&E Department at RSH. The co-location of emergency and urgent care facilities on the same site is regarded nationally and internationally as the optimum approach for delivering the best treatment for patients.

While we have not been meeting the national 95% target for people waiting in A&E for more than four hours, in terms of pure numbers we have seen a marked increase in those being admitted, transferred or discharged.

Unfortunately the demand did lead to periods where planned operations were cancelled, and this is something we will again focus on when planning for next winter.

We know that people are still waiting too long in A&E, and this is not just restricted to winter. This is something we are working hard to resolve.

One area we continue to focus on is the number of people who are medically fit to discharge. If patients who no longer require the level of specialist care we provide cannot move to the next stage of their care, clearly this has an impact on those who do need to be in our hospitals.

We continue to hold conversations with our partners in the local health economy about how we can improve this situation.

Whilst it is important that we recognise our challenges, it is also right that we celebrate our achievements. These include:

- Greater capacity in our Intensive Therapy Unit (ITU) through permanent staffing of an extra Critical Care bed at PRH.
- Investment in EBUS (Endobronchial Ultrasound), which means that we will be able to retain work within the Trust that we had been sending elsewhere. This development has helped us to improve patient care by offering a local service and help to attract and retain consultants in respiratory medicine.

- Shropshire Breast Screening has been extended to cover eligible women aged between 47 and 73. Previously only women aged between 50 and 70 were screened every three years. This expansion of our screening programme means breast disease could be found at an earlier stage when it is easier to treat.

We have also invested in our workforce with the creation of new roles within the Emergency Departments at PRH and RSH. We have introduced new roles for Advanced Nurse Practitioners and Emergency Nurse Practitioners; expanded the junior doctors' workforce in Medicine, increased Orthodontic capacity with the appointment of an additional consultant, approved the appointments of two additional consultant histopathologists, invested in an additional stroke consultant and approved funding for a permanent night shift in theatres.

We have also invested in equipment and infrastructure. A £1.4m upgrade to our existing mortuary facilities at RSH has been approved to ensure that a high level of dignity for our patients continues after death. We have also invested £1.2m in upgrading facilities at RSH which will include the installation of two new CT scanners. The first was installed in April with the second due to be installed by the end of June. And the hire of the Vanguard unit at PRH, to provide additional theatre capacity, was extended throughout the winter.

Even in a time of such great demand, we as a Trust have still managed to deliver on most Referral to Treatment (RTT) targets including, for the first time, in Orthopaedics. We ended the year delivering our cancer targets and delivering on diagnostic waiting times.

Of all of the national targets, we have delivered on three out of four, which is a tremendous effort given the winter that we faced.

Debbie Kadum, Chief Operating Officer

Progress Against Operational Objectives 2014/15

I was lead director for the following operational objectives during the year:

2014/15 Strategic Priority	Operational Objective 2014/15	Annual Review Of Progress
Develop a transition plan, with supporting workforce plans, mitigation actions and contingency plans, that ensure the safety and short-term sustainability of our challenged clinical services	Agree Business Continuity Plans for the Emergency Department with commissioners by 1st April 2014	• Business Continuity Plans have been completed and shared with commissioners.
	Embed a sustainable 7 day model of care for stroke services	• The consolidation of stroke services during 2014/15 has delivered improved outcomes. • The fourth stroke consultant, approved as part of the workforce model, joined the team in December. This enables discussion on further service development to progress.
	Scope the development of ambulatory emergency care and Urgent Care Centres	• The Trust has successfully developed and implemented an early prototype Urgent Care Centre at RSH, as part of the relocation of the Shropshire Walk In Centre to the hospital during December. Interim arrangements are in place at PRH. This completes phase 1 of the project. Work has now commenced on phase 2 of the project. • We joined the 6th cohort of the national ambulatory care network during the year, putting in place the foundations for our plans to increase the number of patients cared for in an ambulatory care setting.

	Complete workforce reviews and develop plans in challenged specialties	• A workforce review for all challenged specialties has been completed and managing pressures within this area remains a high priority for the Trust. • As part of the agreed Emergency Centre workforce plan to support the junior medical workforce pressures, an Advanced Nurse Practitioner has commencing training and the number of Emergency Nurse Practitioners has increased. • Opportunities to explore national and international recruitment continue to be progressed.
	Complete a service review of challenged specialties, commencing with Cardiology and Ophthalmology, and consider proposals to redesign these services	• Work has taken place to improve access to Ophthalmology services and new referral pathways were launched in September to support the delivery of the national RTT targets. • The Cardiology Centre of Excellence model was implemented as planned at PRH in October. The initial implementation has worked well and as a result, patients are now being seen and treated in an ambulatory type model.
Address the existing capacity shortfall and process issues to consistently deliver national healthcare standards	Commence winter planning in April 2014 to include the consideration of a drop-in day surgery unit	• A System Resilience Plan, which incorporates winter planning, has been implemented and a drop-in day surgery unit was in place from 16th June until 19th December on the PRH site. Unprecedented demand during recent months has however resulted in significant site pressures and discussions with commissioners and the TDA are ongoing with regard to managing demand.
	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	• Alternative models of care to improve patient flow continue to be progressed. Discharge hub arrangements are operational on both sites and work has progressed on the Discharge to Assess model focusing on 3 pathways. • An eight bedded Elderly Care Short Stay model on Ward 22S at RSH was introduced in November supporting Frail and Complex patients. This new model of care, supported by targeted therapist support, has to date proved successful in reducing the length of stay for these patients. • Addressing the capacity shortfall remains a key priority for the Trust in 2015/16.
	Consider capital schemes e.g. development of a Clinical Decision Unit and a Theatre Admissions Lounge at Princess Royal Hospital	• The lack of physical estate and staff has impacted on the development of the Clinical Decision Unit at PRH. However, work has been progressing to improve the urgent care pathways, the priority being the development of ambulatory emergency care. • Similarly, plans for the Surgical Admissions Suite have been developed. However, the proposed location is still being used as an escalation area, due to the increasing demand on non-elective activity.
	Participate in planning new models of care as part of the Better Care Fund initiative	• New models of care are being developed by the wider Local Health Economy Group. The impact of these will be reviewed and assessed once details have been received.
	Complete a root and branch review of our Cancer services, with the support of the IST and develop an Improvement Plan and a Cancer Strategy	• Significant improvements have been made with regard to cancer performance which has resulted in all nine cancer standards being delivered in Q3 and in the month of January. • A sustainability strategy is being developed to ensure that we continue to both maintain this performance and improve the patient experience.

	Participate in a strategic review of access to Orthopaedic services (commissioner-led)	• The Trust has worked closely with both CCGs to improve access to orthopaedic services within the county. Telford and Wrekin CCG formally tendered for an integrated community musculoskeletal service which, if successful, will reduce acute referrals. A joint local health economy bid, with Shropshire Community Health Trust as the prime contractor, was successful and work is progressing with regard to patient pathways and service level agreements.
	Develop community service models and increase direct access for GPs	• The future development of community service models is closely linked, and will be shaped by the NHS Future Fit Programme. The Trust has expanded outreach services at Bridgnorth Hospital, outreach cardiology support to Powys, and plans are progressing with regard to direct access ultrasound services at Ludlow Hospital. • Discussions are currently taking place with the Shropshire and Staffordshire Healthcare NHS Foundation Trust for the provision of a diagnostic ECG service and the Trust is working with the Shropshire Community Health NHS Trust to develop integrated therapy service pathways.
Undertake a review of all current services at specialty level to inform future service and business decisions	Develop robust business cases for homecare services	• Work is progressing with regard to the development of homecare services. However, due to the ongoing problems with commercial homecare providers this project has been delayed. The Trust is now seeking to pilot schemes either locally or with another NHS provider Trust.
Develop a robust Investment Strategy to modernise our equipment and estate to support service transformation and increase productivity through the use of technology	Implement e-prescribing	• "Proof of concept" e-prescribing interface launched and distributed to pharmacists and a selection of prescribers to test and feedback in terms of ease of use and safe prescribing process.
	Increase productivity through the use of digital Radiology equipment	• Diagnostic Electronic Requesting and Reporting workflow has been reviewed. A Radiology-Pathology Data Quality/Information Governance group has been established to strengthen joint working at primary and secondary care interface. A test system has been developed for primary and secondary care electronic requests in Radiology.

Performance Against Key Targets 2014/15

Here are the main Key Performance Indicators that I report to the Trust Board and how we performed during the year:

	Summary of Performance in Year Ended 31 March 2015				
Domain	**Indicator**	**Numerator / Denominator**	**Data Source**	**Thresholds**	**Performance in Year Ended 31 Mar 2015**
A&E	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% Underperforming: 94%	89.96%
	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 Underperforming: >0	19
	1 hour ambulance handovers	Ambulance handovers not completed within 60 minutes	Weekly SitReps	Performing: 0 Underperforming: >0	48
	30 minute ambulance handovers	Ambulance handovers not completed within 60 minutes	Weekly SitReps	Performing: 0 Underperforming:>0	296
18 week Referral to Treatment (RTT)	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	Monthly RTT returns via UNIFY	Performing: 90% Underperforming: 85%	77.78%
	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		Performing:95% Underperforming: 90%	97.18%
	RTT – incomplete pathways	Total number of patients on incomplete pathways less than 18 weeks vs. total number on incomplete pathways		Performing: 92%	92.87%
	RTT – greater than 52 weeks	Total number of patients waiting longer than 52 weeks from referral to treatment		Performing: 0	7
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	DM01 return	Performing: 1%	0.11%
Cancelled Operations	28 day readmission	Number of patients cancelled on day of surgery not readmitted within 28 days		Performing: 0	5
	Multiple cancellations of urgent operations	Number of urgent operations cancelled more than once		Performing: 0	0

Cancer Waiting Times	2 week GP referral to 1st outpatient	Please see cancer waiting times guidance for definitions of these performance standards	Cancer Waiting Times Database	Performing: 93% Underperforming: 88%	94.76%
	2 week GP referral to 1st outpatient - breast symptoms			Performing: 93% Underperforming: 88%	95.89%
	31 day diagnosis to treatment for all cancers			Performing: 96% Underperforming: 91%	97.82%
	31 day second or subsequent treatment - drug			Performing:98% Underperforming: 93%	99.37%
	31 day second or subsequent treatment - surgery			Performing:94% Underperforming: 89%	94.32%
	31 day second or subsequent treatment – radiotherapy			Performing: 94% Underperforming: 89%	98.62%
	62 days urgent GP referral to treatment of all cancers			Performing:85% Underperforming: 80%	85.19%
	62 day referral to treatment from screening			Performing: 90% Underperforming: 85%	92.26%
	62 day referral to treatment from hospital specialist			Performing:85% Underperforming: 80%	93.82%

More detailed performance measures are included in the Operational Performance section of our Integrated Performance report presented to each ordinary meeting of the Trust Board, with further review and assurance through the Trust Board's Hospital Executive Committee and through our operational performance systems.

I.6 Workforce Director's Report

As Workforce Director I am the lead director for staff engagement and experience, empowering and developing our workforce, and ensuring effective systems for workforce planning. – Victoria Maher, Workforce Director

As a Trust we believe in the importance of growing our own workforce and supporting local people to have opportunities for work experience, apprenticeships and jobs at our organisation. A lot of strides have been made in this area in 2014/15.

A key outcome of our People Strategy for the last 12 months has been to home-grow our own talent, to build on the great staff we already have working at our Trust, and to ensure we have a quality local workforce for the future. Our focus has been on attracting and supporting local people with the Values and behaviours that we expect as a Trust, and we have been working to do this in a number of different ways. The support we provide starts with the workforce of the future. We have been working to make sure our information, advice and guidance – alongside our work experience programmes – are consistent for local school pupils.

The focus has been on the value of every role at the Trust, together with the diverse opportunities that are available within the NHS to highlight how many different possibilities there are for a great career in our organisation. This has included providing work experience throughout the Trust to give young people a taste of what it's like to work within different environments within our hospitals.

Another area we are really proud of is the apprenticeship opportunities we provide, which saw us win the Large Employer of the Year Award in the Health Education West Midlands Apprenticeship Recognition Awards in October 2014 for our sustainable apprenticeship programme. Four years ago we supported just one apprentice, but this increased to 166 in 2013/14 – the highest number in the region. We supported a similar number in the last 12 months.

A great example of how apprentices help to support the care we provide is the introduction of wellbeing apprentices, who help support the mental and physical health needs of our most vulnerable patients. Our staff really value the support they provide—not just the wellbeing apprentices on our wards, but also those who have worked in a variety of different areas at the organisation. We're absolutely committed to supporting apprentices, as we recognise the huge value they bring to organisations such as ours.

Another area we're delighted with, is our collaboration with The Prince's Trust, which we have had in place for several years to provide its free four-week 'Get into Hospital Services' programme. The course is aimed at 18 to 25 year olds who are ready to work, and have the aspiration to work in health care.

The programme has been really well received, and we've been really impressed with the young people who have taken part. Four members of the latest cohort, who went through the programme in the last 12 months, were offered jobs within the Trust which shows the value of taking part.

We have also designed a programme which is about sending members of our workforce as healthcare ambassadors into schools and further and higher education to talk about roles within the NHS, as well as the Values we expect as an organisation and the NHS as a whole.

But it is not just young people who are benefiting, we're also continuing to work with Job Centre Plus, training providers and service leads to develop bespoke

packages that will support people's recruitment opportunities. For example, we have been working with Job Centre Plus to support local people to gain more knowledge and skills to work in Domestic roles.

Part of growing our own is also about providing opportunities for our existing workforce to develop their skills, and one of the ways we do this is through an advanced clinical role. For example, we've introduced Advanced Practice to support the Acute Medicine Pathway. This has provided opportunities for our own staff to gain a Masters Degree.

In 2014-15 we also launched our SaTH Leadership Development Programme. Over 100 people have completed or started that programme, which focuses on what leadership looks like in our organisation and supports our leaders to be great leaders.

We now also have a number of internal coaches who are able to support our staff in a number of different areas, whether that is career coaching, motivation or support through a difficult time.

These are just some of the ways we're supporting our own staff and the workforce of the future, and we'll continue to develop these areas over the next 12 months.

Victoria Maher, Workforce Director

Progress Against Operational Objectives 2014/15

I was lead Director for the following Operational Objectives during the year:

2014/15 Strategic Priority	Operational Objective 2014/15	Annual Review Of Progress
Reduce harm, deliver best outcomes and improve patient experience through our Quality Improvement Strategy.	Progress plans to extend 7 Day Working	• A working group has been established to scope 7 day working workforce requirements which includes membership from all the care groups and includes both clinical staff and support services. • Significant progress has been made to date to increase 7 day working; within Radiology 7 day services are available on both sites and a 7 day phlebotomy service has been implemented being provided jointly between phlebotomists and Care Support Workers.
Develop our leaders and promote staff engagement to make our organisation a great place to work through our People Strategy	Develop a Values-driven organisation	• Following the launch of the Trust's Values last year significant work has taken place to promote and embed these within the organisation. • Values-based recruitment has been launched within the Trust and Values-based induction programmes are being rolled out. • Values-based Appraisal has been developed and implemented with supporting workshops taking place during 2015.
	Implement the Trust's Leadership Development Programme	• A highly successful Leadership Conference was held on 3rd October 2014, with excellent and inspiring speakers including Aidan Halligan, Lorraine Heggessey and Paralympian Danielle Brown. The event was highly evaluated by attendees. • Five cohorts of the Trust Leadership Development Programme have been completed and a further four cohorts are scheduled to start in April 2015.
	Develop a culture of continuous improvement and lean process redesign	• Scoping work has been undertaken to gain an understanding of existing lean and continuous improvement skills within the workforce. This will support the development of a programme for 2015/16. • As part of a continuous improvement programme the Trust is looking to pursue lean transformation schemes to support the review of existing services and the development of future models. An Expression of Interest has been submitted to the TDA to be a site for the long-term intensive support and development programme.

	Develop 5 Year Workforce Plans for all services that supports transformation	• 5 Year Workforce Plans for all services have been developed and a Staff Engagement Plan was approved by the Trust Board in November which provides a framework to support and involve staff in future service redesign. • Opportunities for transformation have been identified with plans in place including: apprenticeships, progression pathways for support workers and the further development of advanced clinical practice (non-medical).

Performance Against Key Targets 2014/15

Here are the main Key Performance Indicators that I present to the Trust Board:

	Summary of Performance in Year Ended 31 March 2015				
Domain	**Indicator**	**Numerator / Denominator**	**Data Source**	**Thresholds**	**Performance in Year Ended 31 Mar 2015**
Workforce	Sickness Absence	Number of days sickness absence vs. available workforce	SaTH returns	Performing: 3.99%	4.21%
	Appraisal	Number of eligible staff receiving appraisal in current period vs, total eligible staff	SaTH returns	Performing: 80% (stretch target 100%)	87%
	Statutory and Mandatory Training	Number of spells or attendances without valid number / Total number	SaTH returns	Performing: 80%	71%

More detailed performance measures are included in the Workforce section of our Integrated Performance report presented to each ordinary meeting of the Trust Board, with further review and assurance through the Trust Board's Workforce Committee.

I.7 Director of Business and Enterprise's Report

As Director of Business and Enterprise I am the lead director for our strategic and business planning processes, commercial & business development, marketing and tendering. This includes the development and oversight of our strategic and operational plans. – Debbie Vogler, Director of Business and Enterprise

By far the biggest milestone for us this year was successfully achieving the reconfiguration of Women's and Children's Service, the centrepiece of which is our wonderful new Women and Children's Centre at the Princess Royal Hospital in Telford. A lot of people worked tirelessly in the months and weeks leading up to the opening of the centre and, thanks to their dedication, we enjoyed a successful and smooth transfer of services when the centre opened last September.

Plans to improve women and children's hospital facilities in Shropshire have been on the cards for more than 20 years. It has taken many meetings, consultations and patient and staff-led focus groups to make the centre a reality.

We recruited a total of 40 new members of staff for the 135-bed centre, on top of those who transferred to it. Ahead of the opening, more than 750 staff were given time to familiarise themselves with the new site through training which included acclimatisation and learning how to use the new equipment.

The hard work has continued since the centre opened to patients, so it was particularly nice to be able to take a break from the routine for the official opening by the Princess Royal in January. Her Royal Highness was full of praise for the centre, and for the Trust for adapting to "make the best of what modern technology has to offer".

We are, of course, looking to adapt in other ways as well. Throughout the year there has been an enormous amount of focus and activity on developing our long-term plans through the NHS Future Fit Programme.

This has included developing the clinical model for a single Emergency Centre, along with the shape of Urgent Care Centres, both urban and rural, that would support it, and creating a short-list of options, along with the physical solutions and workforce models behind them.

This work remains on track, but challenges remain in the scale and scope of this programme, the timescales required to develop strategic cases and the approvals process, all set against the more immediate challenges of sustaining some of our clinical services within the current set-up.

Business and Strategy development has been a big focus area for the Trust Board during 2014/15. The Trust has continued to make good progress in establishing robust and integrated business planning processes within the Care Group and corporate functions. Going forward, improving business information and a market-focused approach to business development remains a priority.

The Business Development and Engagement Committee is establishing itself as a new sub-committee with a focus on supporting the organisation in developing business processes and providing assurance to the Trust Board. Understanding our business at service level in terms of quality, operational performance, workforce and finance is a key priority for the Trust, and the "deep dive reviews" into these are progressing well.

Debbie Vogler, Director of Business and Enterprise

Progress Against Operational Objectives 2014/15

I was the lead director for the following operational objectives during the year:

2014/15 Strategic Priority	Operational Objective 2014/15	Annual Review Of Progress
Undertake a review of all current services at specialty level to inform future service and business decisions	Complete a comprehensive market assessment and develop robust marketing plans	• The Trust undertook a comprehensive Market Assessment Refresh in April 2014 to support service planning. Market information and business intelligence now forms part of the regular Horizon Scanning intelligence that is assessed within the Trust. • Work is progressing to develop a robust structure to report business information throughout the Trust to inform future business decisions and shape specialty marketing plans.
	Review operational and financial performance in all specialties through service line reporting and key performance indicators	• The process of reviewing the operational and financial performance has commenced using the '4 legged stool' methodology and the 'deep dive' process. To date reviews have taken place within Maternity services, in January, and Ophthalmology services in February. A rollout programme has been developed with monthly reviews throughout next year.
Complete and embed the successful configuration of Women and Children's services	Transfer of Women and Children's services to Princess Royal Hospital	• The transfer of consultant-led inpatient Women and Children's Services from RSH to PRH were delivered safely as planned at the end of September 2014 and all revised pathways are in place. • Focus Groups were held with patients, parents and the public in December. Staff workshops also took place to review the impact of the move on the workforce.
	Embed revised pathways following the transfer of services to Princess Royal Hospital	• All revised pathways are now in place details of these have been circulated widely internally and shared with GPs, Commissioners and Ambulance Trusts. A Communication and Engagement Plan is in place and this is being delivered to time.
	Agree and implement the model for the Women and Children's services remaining at Royal Shrewsbury Hospital	• The interim solutions for the services remaining at RSH has been completed which includes: refurbishment work on the existing Copthorne Building (previously known as the Maternity Building) and the transfer of the Children's Assessment Unit to Unit 31. • A formal post project evaluation report will be completed early in 2015.
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 an Options Appraisal for future service models Commence, and complete, public consultation on proposed clinical services models	• The NHS Future Fit Programme Plan is on track. The Short Listing Expert Panel approved the long list of options and six short listed options in February. • Phase 2 activity modelling has been completed and the technical team have been appointed to progress the Strategic Outline Case (SOC) and Pre-consultation Business Case. • The public engagement plan is ongoing with formal public consultation expected from December 2015.
Embed a customer focused approach and improve relationships with our GPs through our stakeholder Engagement Strategy	Manage GP relationships through a robust GP Engagement Strategy and focused account management	• A new approach to engaging and managing relationships with GPs has been introduced from July. This provides dedicated resource to support the operational teams to develop relationships with primary care. • The Trust's GP Engagement Strategy was presented to the Trust Board in February describing our engagement priorities and planned activities for the forthcoming year. • Work has commenced to identify market share trends for each GP practice. This information alongside the GP Satisfaction Survey feedback will shape the development of the rolling work plan and identification of priority practices.

I.8 Communications Director's Report

As Communications Director I am the lead director for developing our relationships with our communities and key stakeholders. This includes supporting the organisation to become more fully engaged with our communities, including through the use of digital and social media. – Adrian Osborne, Communications Director

This has been another busy year for the Trust, the local health community and the wider NHS in terms of engagement and communications. The first six months saw a major focus on plans for the opening of the new Shropshire Women and Children's Centre at the Princess Royal Hospital in Telford, with a campaign of public awareness including house-to-house leaflet drops, newspaper advertising, feature articles in print and broadcast media and ongoing engagement with user groups and other stakeholders. With the new Centre opened, attention shifted to settling in to the new facilities and then to the Royal Opening by HRH The Princess Royal in January. Such events are a great opportunity to celebrate the hard work of the teams who made it possible, and also to build civic and community pride in such wonderful facilities.

Throughout the year we have continued the work on the NHS Future Fit review, engaging patients, communities, staff and other stakeholders in developing the Clinical Model, and translating this into scenarios for future health services. As Chair of the whole system Engagement and Communications Workstream for NHS Future Fit this has involved considerable cross-organisational work to develop and deliver the engagement and communication plan.

The continued high demands on health services, as described in the Chief Operating Officer's report, have also been a big focus for our team. Political and media scrutiny of A&E performance has been intense – particularly in the lead up to the general election shortly after year-end in May 2015. The Trust has co-ordinated a whole system network of engagement and communications leads across health and social care to improve co-ordination of our activities.

Support and development for team members saw two of the team move on to new roles outside the Trust during the year, although this did therefore mean 66% turnover and a challenging period to appoint and induct new team members. This has been successfully achieved and has brought new skills into the team, enabling us to strengthen the way we connect with communities through social media including Twitter, Storify, Instagram and Facebook. As well as connecting with your communities, social media has also created new ways of engaging with colleagues across the Trust, sharing their success in improving services, living our values, meeting targets, personal triumphs, fundraising challenges and much more besides.

Key goals for the year ahead include working with patients and staff to transform our digital presence (particularly to address our current outdated website), and moving forward with the NHS Future Fit review to secure a long term future for safe and sustainable acute and community hospital services for patients and communities across Shropshire, Telford & Wrekin and mid Wales.

Adrian Osborne, Communications Director

Progress Against Operational Objectives 2014/15

I was the lead director for the following operational objective during the year:

2014/15 Strategic Priority	Operational Objective 2014/15	Annual Review Of Progress
Embed a customer focused approach and improve relationships with our GPs through our stakeholder Engagement Strategy	Develop a Stakeholder Engagement and Customer Relationship Strategy	• The Trust is developing a Stakeholder Engagement and Customer Relationships Strategy alongside the development of the strategic and operating plans for 2015-17. The strategy will be finalised following the publication of the TDA guidance on Delivering Excellence in Communications and Engagement. • Reflecting the Trust's priority and commitment to engagement I lead two significant whole system communication and engagement programmes: NHS Future Fit and Urgent & Emergency Care.

Engaging with our communities

As an acute hospital provider serving a population of around half a million people spanning the border between England and Wales, we have a large and complex network of stakeholders.

Key engagement activities during the year have included:

- Chief Executive forum meetings with local Healthwatch and Community Health Council colleagues from Shropshire, Telford & Wrekin and mid Wales;
- Chief Executive forum meeting with Chairs of Health Overview and Scrutiny Committees in Shropshire and Telford & Wrekin;
- Ongoing engagement with our main charitable partners including Friends of the Princess Royal Hospital, League of Friends of the Royal Shrewsbury Hospital and Lingen Davies who together provide such vital support for our patients, services and staff;
- Regular meetings with MPs and AMs from Shropshire, Telford & Wrekin and mid Wales;
- Patient and community engagement in preparation for the quality inspection by the Care Quality Commission in October 2014;
- Support for the programme of engagement and communication for the NHS Future Fit review.

Plans and priorities for the year ahead include:

- Connecting our incoming Chief Executive with communities and stakeholders in Shropshire, Telford & Wrekin and mid Wales;
- Developing our relationship with the new MP for Telford & Wrekin, the new Chair of the Health Overview and Scrutiny Committee for Telford & Wrekin and the newly established Powys Community Health Council (replacing the former Montgomeryshire Community Health Council and Brecknock and Radnorshire Community Health Council from 1 April 2015).

I.9 Director of Corporate Governance's Report

As Director of Corporate Governance I am responsible for ensuring effective systems of governance and risk management within the Trust, and I am our Company Secretary. My wider responsibilities include legal services, security, health & safety, NHS Foundation Trust membership and volunteers. – Julia Clarke, Director of Corporate Governance

Reflecting on the year's achievements, I am delighted to report on the progress made within the Directorate delivering all our objectives and coming in under budget.

Last year we were Highly Commended at the national NHS Sustainability Day Awards 2014 in the Community Engagement category. Over the past 12 months, we have made great progress and at the 2015 Awards, we were shortlisted (against 240 nominations) in five of the 12 categories (Energy, Water, Procurement, Food and Community Engagement/Public Health) which was more than any other Trust in the country and achieved highly commended for them all. 80 members of staff have signed up to be Sustainability Champions this year to further embed our work.

Thanks almost entirely to the kindness of local businesses and the time and hard work of volunteers, two courtyard gardens at the Princess Royal Hospital have been completely refurbished with minimal cost to the Trust. The Memory Garden and Garden of Reflection have been transformed as therapeutic environments for patients, visitors and staff. Similar work has been undertaken in a wildlife garden at RSH with seating for staff and visitors.

A series of Dementia Friends Awareness sessions organised by the Trust throughout last year delivered training to over 200 volunteers, members of the public and Trust employees. The sessions have done a great deal to raise understanding of this condition and I am delighted by the high take-up.

Our volunteers continue to play a vital role within our hospitals, working in a variety of departments alongside our staff and our Volunteering strategy is being used as a 'best practice' model by other NHS Trusts. This includes our volunteer policy, handbook and training materials which were all developed in house.

Managing risk within any environment is an important undertaking. Reassuringly we received 'substantial assurance' from Deloitte, the Trust Internal Auditors, when they carried out a review of our management of organisational risk. This finding was also supported by the CQC, who raised no issues with our risk processes during their recent inspection.

Health & Safety is an important component of risk management and two big projects have been delivered this year; the completion of the Trust's 'Sharp Safe Project' in December 2014 saw the introduction of safer sharps devices across the Trust in order to reduce the risks for staff associated with needle stick injuries, resulting in a safer working environment for both staff and patients. The other big project was led by our Moving and Handling team to effect a smooth Trust-wide changeover to new mattresses which was a massive undertaking.

Security is another important element of a safe environment for staff and visitors and our Security team have helped to drive down intentional violence against members of staff by 40% and external review rated us as a 'green' organisation.

Behind the scenes we also saw the successful roll-out of 4policies, the Trust's new

online system for the dissemination of policies to its staff. The system has provided an extra level of assurance that staff are aware of new and updated policies when they are issued. Another important governance improvement has been the faster turnaround times for information requests handled by our legal team even though demand on this service continues to grow.

The excellent work of the Clinical Audit team attracted national recognition this year when they won a HQIP Quality Improvement Award for their part in establishing the Trust's Clinical Audit Patient Panel. Clinical Audit also supported departments throughout the Trust in achieving Commissioning for Quality and Innovation (CQUINs) and clinical national performance targets.

Julia Clarke, Director of Corporate Governance

Progress Against Operational Objectives 2014/15

I was the lead director for the following operational objective in 2014/15:

2014/15 Strategic Priority	Operational Objective 2014/15	Annual Review Of Progress
Embed a customer focused approach and improve relationships with our GPs through our stakeholder Engagement Strategy	Continue to develop environmental and social sustainability through the Good Corporate Citizen programme	• The Trust has developed a Sustainable Development Management Plan and has recruited Sustainability Champions from within the Trust. Sustainable Development highlights include waste segregation schemes, E-expenses and improved controls at RSH to reduce energy consumption. • The Trust opened a Memory Garden at PRH on the 26th March, which was a result of significant support from volunteers and local businesses. • Work has commenced on the Garden of Reflection, to provide a calming environment for dementia and stroke patients, this will open in April at PRH. • Within the wildlife garden at RSH we have planted trees and commenced a programme of reintroducing the red mason bees. This is part of the 'Praise Bee' project which is intended to introduce these bees into urban areas. The planned official opening is scheduled for later in 2015. The Trust also participated in the national '2 trees at 2 o'clock' initiative by planting two native species at PRH. • The Trust's Travel Plan has been approved to encourage staff to utilise public transport and other methods of transport to travel to work. This will contribute to reducing carbon emissions.

Performance Against Key Targets 2014/15

The main targets and measures in my area of responsibility relate to environment and sustainability and are included in Section IV of this report.

I.10 Finance Director's Report

As Finance Director I have Board-level responsibility for effective systems of financial management and control, and the development and management of our contracts and performance systems. I am also the lead director for our Estates, Facilities, Information and IT services. – Neil Nisbet, Finance Director

A key focus for the directorate in 2014/15 has been to consolidate the Trust's financial position. It has been a year of financial challenges, but I am pleased to report that positive progress has been made to help reduce some of the historic problems that place particular pressure on Trust finances.

Our agreed deficit for 2014/15 was £12.2m. As an organisation we have brought our position back in-line with the agreed target and our year-end position is that we delivered a deficit of £12.13m. Whilst I am appreciative of everyone's efforts in achieving this, this significant deficit is indicative of the serious financial pressures we have experienced as a Trust.

During the year, the Trust successfully negotiated with the treasury to secure a non-repayable injection of £7m to enable the Trust to pay our suppliers more promptly. This has enabled us to avoid penalties and places us in a stronger position to negotiate better deals.

Within the Capital Projects team, the need to take sustained action in respect of medical equipment was addressed. The team led on a replacement programme that included the standardisation of the Trust's ITU critical care ventilators, the completion of the defibrillator programme and replacement of the majority of our A& E endoscopy trolleys. As a result, we've been able to replace medical equipment to the tune of £2m, and reduce the back-log of high-risk medical equipment from £3.1m to £1.5m.

In addition to medical equipment, we've put in place increased diagnostic capacity through the purchasing of additional CT scanners and work is well-underway on the much-needed £1.4m upgrade of Mortuary services at RSH. Once again, I would like to thank our League of Friends at RSH and PRH for their on-going support for the Trust and the substantial contribution they continue to make. This year also saw the launch of an amazing £750,000 appeal by the Lingen Davies Cancer Fund to bring a third linear accelerator to the Lingen Davies Centre at RSH, providing life-saving treatment for people with cancer.

In September 2014, the Shropshire Women and Children's Centre opened and it is pleasing to report that the cost of the development was contained within its approved funding level of £35m and as such will not create any financial difficulties into future years.

One area that continues to drain Trust monies is the continued underpinning of the Trust's operational services through the use of agency staff. This has resulted in an overspend of £3m and an absolute spend of £7m. The Trust recognises the difficulty in the use of such high levels of agency staff both financially and operationally. We are taking action to significantly increase recruitment of permanent staff to address this problem.

The success of our Cost Improvement Programmes (CIPs) this year helped the Trust to drive down costs by £13m. I'd like to express my thanks to all the staff who made this possible by identifying and delivering effective CIPs, while ensuring that we maintain the quality and safety that our patients expect from us.

Particular credit should go to the Procurement Team for delivering savings of £2m through the programme. It's the third year that they have helped make savings of that order for the Trust. Procurement has already identified a further £1.8m in cost improvements for 2015/16. This illustrates the great value we get from this team.

During this year, our Domestic Services teams continued to experience high levels of recruitment difficulties. Yet despite this, standards of cleaning throughout the Trust have been praised by the Care Quality Commission in their major inspection report published in January 2015 and by the NHS Trust Development Authority. I'm really proud of the essential contribution made by the team.

The IT team continued to make sterling progress in the development of the Clinical Portal, launched in August 2014, which provides rapid access for Doctors, Nurses and Pharmacists to a wide range of patient data. Future versions of the portal are planned which will enable information to be shared jointly between our clinicians and GPs across Shropshire.

Neil Nisbet, Finance Director

Progress Against Operational Objectives 2014/15

I was the lead director for the following operational objectives during the year:

2014/15 Strategic Priority	Operational Objective 2014/15	Annual Review Of Progress
Develop a transition plan that ensures financial sustainability and addresses liquidity issues pending the outcomes of the NHS Future Fit Programme	Secure support to manage short-term financial pressures pending review of Long Term Financial Model	• The Trust was successful in its applications for (a) permanent Public Dividend Capital (PDC) of £12.2m to support the 2014/15 projected Income and Expenditure position and (b) permanent PDC of £7m plus £1.2m from agreed cash balance reduction which will improve Better Payment Practice Code compliance.
	Identify recurring cost improvement programmes	• The Trust has achieved the revised cost improvement programme target however was not able to deliver the original planned efficiency target. The Trust will carry an underlying recurring deficit into next year as delivery of the full plan this year has relied on non-recurring schemes. This position is reflected in the overall risk assessment.
	Engage with commissioners with regard to utilisation of Better Care Fund	• The Trust has representation at the Telford and Wrekin CCG Better Care Fund Finance Performance and Modelling Work Stream meeting. Once detailed plans are available the Trust will undertake an assessment of the impact of each scheme.
Develop a robust Investment Strategy to modernise our equipment and estate to support service transformation and increase productivity through the use of technology.	Implement and embed an integrated clinical portal system	• The Trust has received capital funding assistance which is available over two years from the treasury Safer Hospitals Safer Wards (SHSW) Technology Fund to support developments. • We have continued to progress our work on a new Clinical Portal to provide improved access to medical information for our doctors, hospital at night staff and pharmacists through a single portal. Version 1 went live in August 2014 and was further developed during the year through User Acceptance Testing.
	Identify solutions to address equipment replacement needs	• Prioritisation of capital allocation has been undertaken to utilise funds to remove highest risk devices within the Trust. Donations from the League of Friends and other charitable sources have been utilised where available to further reduce the risk and improve the condition of the Trust's assets. Other options such as managed services and lease agreements will be explored and utilised in line with the needs of the service and organisation.

Performance Against Key Targets 2014/15

The Trust achieved the following financial duties:

- To achieve a break even position on the Statement of Comprehensive Income. An adjusted retained deficit of £12.13m 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 £26.005m was achieved with an actual external financing limit of £26.004m.
- To operate within the capital resource limit which controls the level of capital expenditure that may be incurred. The Trust's target of £15.605m was achieved with an actual charge against the capital resource limit of £15.605m.

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.

Financial Overview

The Trust's turnover in 2014/15 was £316.8m and we recorded a deficit of £12.130m.

The Trust commenced the 2014/15 financial year with a recurrent deficit of £8.0m. Increased costs associated with the employment of Agency nursing combined with a requirement to employ additional nursing staff to provide care for patients with more intensive needs, has meant that the Trust ended the year with a deficit of £12.130m.

During the year the Trust commissioned an external review performed by PricewaterhouseCoopers (PwC) to determine the costs incurred by the Trust in providing duplicate services across the two hospital sites at Princess Royal Hospital and Royal Shrewsbury Hospital. Understanding the extent of these duplicate costs is relevant because:

- The national tariffs do not allow for inefficiencies arising from split site working; and
- Provides an indication of the scale of cost savings that could be realised through the consolidation of clinical services.

The PwC review concluded that the cost to the Trust from the delivery of services in duplicate across the two sites amounted to between £8.9m and £11.0m.

National rules allow commissioners to make deductions to the Trust income, where

- National performance targets have not been achieved;
- Emergency activity exceeds an approved level; and,
- Patients following discharge from the hospital are re-admitted for further treatment within a period of thirty days.

The effect of these adjustments has been to reduce the level of income received by the Trust from commissioners by £6.972m.

Throughout the 2014/15 financial year the Trust continued to suffer significant liquidity problems and overcame these cash difficulties through the receipt of temporary borrowing. An application was made to the NHS Trust Development Authority for permanent borrowing to address its cash difficulties. The sum requested amounted to £12.2m to support the 2014/15 "in year" deficit and a further £7.0m to address an historical

liquidity deficiency that had arisen as a consequence of income and expenditure deficits recorded in previous financial years. In January 2015, the Trust received confirmation that a sum amounting to £19.2m would be invested within the Trust to support underlying liquidity difficulties.

The financial position for the Trust in future years continues to be challenging. In 2015/16 the Trust is predicting a deficit of £17.2m. The local health economy is taking forward an ambitious transformation programme to address both clinical and financial sustainability for both commissioners and providers of healthcare services. Until this programme has been implemented, the Trust will continue to record sizeable income and expenditure annual deficits.

Expenditure

From our total budget:

- 64% (£216.9m) 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);
- 18% (£60m) was spent on drugs, dressings and other costs directly related to providing healthcare;
- 9% (£28.6m) 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 (9%) 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% (£295.7,) was for clinical services, with the remainder 7% (£21.1m) for non-clinical services such as education.

86% of our £295.7m 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 (43% of our direct clinical income during 2014/15);
- Telford and Wrekin Clinical Commissioning Group (30% of our direct clinical income during 2014/15);
- 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 2014/15).

Of the remainder of our clinical income:

- 13% 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.

Capital Programme and the Trust Estate

The Board continued to invest in the development of the Trust’s facilities. In 2014/15 the Trust invested £15.605m in assets, of which £5.035m 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:

- £1.103m for purchase of 2 CT Scanners – 1 x replacement and 1 x additional at RSH;
- £645k for replacement of obsolete computers across the Trust;
- £557k for replacement Scopes;
- £455k on improved Fire Safety across the Trust;
- £361k for completion of Bowel Screening Project;
- £350k for the commencement of capital project to refurbish Mortuary Facilities at RSH;
- £343k for creation of Urgent Care Centre at RSH.

The sources of capital in the year were £10m from internally generated capital, £570k from the national IT Technology Fund and £5.035m Public Dividend Capital for the Future Configuration of Hospital Services programme.

The Trust continues to face a significant challenge in securing sufficient capital to support a programme of equipment replacement, maintenance and investment. This is further exacerbated by the challenges of duplication across two small acute hospital sites.

I.11 Strategic Review and Forward Look

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.

I.11.1 Strategic Assessment

Local Context

During the last 10 years Shropshire has seen a growth in the overall population of between 7 and 8%. However, the most significant concern for the Trust is the age profile of our community. In Shropshire over 21% of the population are over 65 years, compared to the 17% England average, and in Powys 23% are over 65 years.

The ageing profile and forecast continuing growth, which is significantly higher than the national average, will, in the absence of radical change in the wider health and social care system, place unmanageable demand on already stretched hospital resources.

The geography of rural areas also brings particular challenges around providing services efficiently. Travel times to acute hospitals, a scattered and disproportionately elderly population and limited public transport, makes the provision of a comprehensive range and increased scale of community-based health services especially important.

Developing alternative models of care is therefore vital if the local health economy is to respond effectively to the challenge of the increasing elderly population, the challenges of rural health care and the significant funding pressures expected.

Political

There is a continuing focus on quality and safety of health care, with quality measures increasingly reflected in NHS contracting. The national enquiries including the Francis Report, Dalton Review and Winterbourne View, highlighted areas of concern which have continued 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. The Trust underwent its comprehensive CQC inspection in October 2014 as part of the in-depth hospital inspection programme. The final report from the CQC included a rating of 'Good' for caring for patients however the Trust's overall rating is 'Requires Improvement'. The Trust has developed an Action Plan to respond to the recommendations within the report.

The Trust faces the issues associated with differing health policies and the requirement to respond to local issues associated with policy decisions of the Welsh commissioning boards which differ from those of the English commissioners. Whilst Welsh commissioning boards are also quality focused, they have locally expressed views regarding the provision of services within their borders. The Trust has continued to work with Welsh commissioners and GPs to provide services for the population that live across the border in Powys.

2014/15 was also a year in which we looked forward to the forthcoming UK General Election and local elections in Telford & Wrekin in May 2015, which influenced the timetable for developing options for change as part of the NHS Future Fit Programme.

Economic

The NHS in England faces the huge challenge of meeting rising demand in a period of sustained financial pressure. The financial performance of NHS providers in England has deteriorated sharply since 2013, from a net surplus of £582m in 2012/13 to a net deficit of £789m at the end of Q3 of 2014/15. The percentage of NHS trusts and foundation trusts in deficit increased from 10% in 2012/13 to 26% in 2013/14. Monitor found that 80% of foundation trusts that provide acute hospital services were reporting a deficit by the second quarter of 2014/15.

The Commons Select Committee has reported that the fragility of the NHS finances causes great concern. For 2015/16, the revised Mandate has allocated an extra £1.83bn to NHS England, to which NHS England will reallocate a further £150m of its own resources, bringing the total of new money for front line services to £1.98bn.

NHS England, Monitor and the NHS Trust Development Authority recognise that radical change is needed to the way services are provided. Making this change will require significant upfront investment, but the money available for this is reducing as the number of organisations in deficit increases. More effective collaboration between local health bodies is needed to achieve better value for money

The health economy wide NHS Future Fit programme has been established with the aim of transforming the delivery of healthcare which in turn will release savings and reduce the financial pressures associated with the duplication costs of running services on two sites. While the Trust will continue to drive efficiencies from within the services it delivers, the long-term sustainability of health care in the economy is dependent on the delivery of the NHS Future Fit Programme.

Social

The Trust continues to face the increasing demands of an ageing population. Although the population within Telford and Wrekin is younger, issues associated with the level of deprivation also increase the demand for 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.

The increased prevalence of long-term conditions puts significant pressure on our 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.

How future healthcare services are delivered will be very much driven by our communities as patients are empowered to self-manage their conditions and as they also take an active role in the redesign of services. The sustainability of the NHS depends on a radical upgrade in prevention and public health. The developing principle of ‘agency’ i.e. an equal relationship to managing health is key to managing the ‘Health and Wellbeing Gap’ i.e. if the nation fails to get serious about prevention then recent progress in healthy life expectancies will stall and health inequalities will widen.

Technological

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 NHS Future Fit programme. The maximum deployment of innovation and technology will underpin future models of care. While the development of the technological infrastructure is likely to be expensive the reductions in the number of patients needing hospital admissions is likely to reduce significantly.

The development of technology will cover a number of areas:

- Managing 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 and share knowledge and information across various organisations involved in a patient's pathway;
- Strengthening information technology links between primary and secondary care providers to support the delivery of care outside of acute settings and provide rapid access to test results.

There are also technological advances in enhanced diagnostics and the treatment of certain conditions and while these development are often more expensive that the conventional method of care, improved outcomes for patients and any savings from the life time cost for each individual will need to be considered.

Legislative

Shropshire CCG and Telford and Wrekin CCG have been approved to take on delegated responsibility for NHS England specified general medical care commissioning functions from 1 April 2015, as per the functions set out in the forthcoming delegation agreement. Delegated commissioning gives CCGs an opportunity to develop a more holistic and integrated approach to improving healthcare for local populations. It gives CCGs an opportunity to further improve out-of-hospital services provision and deliver the new models of care set out in the NHS.

The Trust remains committed, in the longer term, to achieving the requirement for all Trusts to become independent legal entities as NHS Foundation Trusts. However at present there is no target date for the achievement of Foundation Trust status. Any future approvals along the journey to becoming a Foundation Trust are likely to be reliant on the outcome of the NHS Future Fit programme and the Trust becoming a sustainable healthcare provider.

Environmental

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 developed sustainability policies and strategies supported by a Sustainable Development Management Plan which form 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.

I.11.2 Trust Priorities for 2015/16

Planning Framework

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, is at the heart of everything we do.

Our Two Year Operating Plan 2014-2016 and our longer term Five Year Strategic Plan described our strategy for the delivery of services that meet the needs of our local communities. The Trust has reviewed the latest planning assumptions and drivers for change that will impact on future services in order to refresh our 2015/16 Operating Plan.

The Trust recognises the need for whole system transformation and that the delivery of future healthcare requires 'adaptive systems'. As specialists and providers of care we will deliver our vision through adopting a set of design principles. Our ambition being that the Trust is an organisation that:

- recognises its specialist role in providing high quality expert healthcare and exceptional patient experience and provides leading edge healthcare and access to leading edge technologies;
- is flexible and adaptive to its environment, not afraid to experiment and lead change across the health system;
- has ambition and is prepared to "seize the moment";
- is systematic about adopting research and development, encouraging innovation and focusing on value and continuous improvement;
- is self-determining through a strong focus on performance, lateral relationships, engagement and collaboration with our staff and our partners;
- embraces social change, promoting equal partnership with staff, patients and communities and a shared commitment to health and wellbeing.

The Trust is committed to embedding an integrated approach to future strategy development and as part of the annual planning process the Trust Board, in partnership with the Care Groups, is currently reviewing the Trust's long-term goals and short-term priorities.

This integrated approach will support the Trust to develop clinically owned plans that fit with the wider Trust strategy. This in turn will ensure that the direction of travel for the Trust reflects the wider national strategy, as described in the Five Year Forward View published by the Department of Health in December, and the strategic plans of the Local Health Economy.

The first event took place in December and the outputs from this workshop have shaped the development of our plans. Our Strategic Goals are shown below:

1. Quality and Safety: Providing safe services, consistently delivering healthcare standards and improving the patient experience
2. People: Delivering a flexible workforce to meet the changing needs of our communities and the services that we deliver
3. Innovation: Striving for excellence through technology and innovation

4. Community and Partnership: Working with partners to improve the health and wellbeing of our community
5. Financial Strength: Building a sustainable future

Strategic Priorities

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 10 Strategic Priorities:

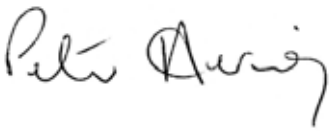
1. Reduce harm, deliver best clinical outcomes and improve patient experience.
2. Address the existing capacity shortfall and process issues to consistently deliver national healthcare standards.
3. Develop a clinical strategy that ensures the safety and short-term sustainability of our clinical services pending the outcome of the NHS Future Fit Programme.
4. Undertake a review of all current services at specialty level to inform future service and business decisions.
5. Develop a sustainable long-term clinical services strategy for the Trust to deliver our vision of future healthcare services through our NHS Future Fit Programme.
6. Through our People Strategy develop, support and engage with our workforce to make our organisation a great place to work.
7. Support service transformation and increased productivity through technology and continuous improvement strategies.
8. Develop the principle of 'agency' in our community to support a prevention agenda and improve the health and wellbeing of the population.
9. Embed a customer focused approach and improve relationships through our stakeholder engagement strategies.
10. Develop a transition plan that ensures financial sustainability and addresses liquidity issues pending the outcome of the NHS Future Fit Programme.

Each of these priorities is supported by a suite of Operational Objectives which are mapped against the CQC Key Themes. Through our internal planning process our Care Groups and operational teams will develop Business Plans that translate our Operational Objectives into Operational Delivery Plans.

Our Operational Objectives for 2015/16 are summarised overleaf.

Table I.11.a	Strategic Priorities and Operational Objectives for 2015/16	
Strategic Priority	**Lead**	**Operational Objectives**
Reduce harm, deliver best clinical outcomes and improve patient experience.	Medical Director	Achieve greater implementation of the mortality review system with demonstrable outcomes achieved from learning from avoidable deaths.
		To focus on improving the clinical outcome of patients with Fractured Neck of Femur, sepsis and acute kidney disease, and achieving all elements identified within the Best Practice Tariff.
		Ongoing medical revalidation embedded within medical areas.
	Director of Nursing & Quality	Implement actions and recommendations within the Care Quality Commission Action Plan.
		Reduce the number of healthcare associated infections.
		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.
		Develop robust plans to recruit to establishment to ensure safe staffing levels.
		Develop and implement robust processes to support nursing and midwifery revalidation (by Dec 15).
		Further progress plans to extend 7 day services working towards the delivery of key clinical standards.
Address the existing capacity shortfall and process issues to consistently deliver national healthcare standards	Chief Operating Officer	Address the current capacity shortfalls through a number of joint initiatives including: achieving the agreed Fit To Transfer (FTT) numbers, changes to ward configurations and increasing the level of ambulatory emergency care.
Develop a clinical strategy that ensures the safety and short-term sustainability of our clinical services pending the outcome of the NHS Future Fit Programme.	Chief Operating Officer	Roll out and embed the Discharge to Assess model and embrace new models of care with independent providers.
		Identify and implement a plan to protect elective activity from emergency pressures.
		Agree and implement the service model for the Women and Children's services remaining at Royal Shrewsbury Hospital.
Undertake a review of all current services at specialty level to inform future service and business decisions	Director of Business and Enterprise	Develop robust marketing plans to promote services and support agreed future business developments.
		Board review of operational and financial performance in all specialties through service line reviews
		Develop and embed a market orientated business planning and development framework.
Develop a sustainable long-term clinical services strategy for the Trust to deliver our vision of future healthcare services through our NHS Future Fit Programme	Director of Business and Enterprise	Develop the short listed options and a Strategic Outline Case for future service models for acute services and out of hospital care.
		Commence, and complete, public consultation on proposed clinical services models.
		Draft an Outline Business Case on preferred option for acute services.

Strategic Priority	Lead	Operational Objectives
Through our People Strategy develop, support and engage with our workforce to make our organisation a great place to work	Workforce Director	Develop a Values-driven organisation.
		Implement the Trust's Leadership Development Programme.
		Improve staff engagement across the Trust.
		Deliver 5 Year Workforce Plans for all services that support transformation and address recruitment issues within challenged specialities.
Support service transformation and increased productivity through technology and continuous improvement strategies	Finance Director	Develop robust IT solutions to deliver the national 'paperless NHS' and patient access to medical information' requirements including e-prescribing and an integrated clinical portal.
		Develop a robust technology strategy for Diagnostics.
		Develop and embed a Continuous Improvement Strategy.
Develop the principle of "agency" in our community to support a prevention agenda and improve the health and wellbeing of the population	Director of Corporate Governance	Develop strong relationships and progress initiatives with volunteers.
		Continue to develop environmental and social sustainability through the Good Corporate Citizen programme.
		Develop a strategy around health-related social change through our FT membership.
Embed a customer focused approach and improve relationships through our Stakeholder Engagement Strategy	Communications Director	Develop a Stakeholder Engagement and Customer Relationship Strategy.
		Manage GP relationships through a robust GP Engagement Strategy and focused account management.
Develop a transition plan that ensures financial sustainability and addresses liquidity issues pending the outcome of the NHS Future Fit Programme	Finance Director	Secure support to manage short-term financial pressures pending review of the Long Term Financial Model.
		Identify and deliver recurring cost improvement programmes.
		Engage with commissioners to secure a whole health economy sustainable financial solution (including Better Care Fund and QIPP).
		Develop a rolling equipment replacement programme.
		Develop a robust investment strategy to modernise our estate.



Peter Herring
Chief Executive
30 July 2015

Part II. Directors' Report

II.1 Board & 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. This section of the Annual Report provides information about the members of the Board and how the Trust is governed.

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

No members of the Board left during the year. Brian Newman commenced in post as Non-Executive Director from April 2014. Dr Simon Walford was re-appointed as a Non-Executive Director from October 2014. Sarah Bloomfield was appointed as substantive Director of Nursing and Quality in April 2014 having been acting in the post since September 2013.

In February 2015, Chief Executive Peter Herring announced his intention to retire from the Trust in July 2015. Simon Wright was appointed as the next Chief Executive following a recruitment and selection process concluding in May 2015 and will join the Trust in Autumn 2015.

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
- Interests declared at year end: 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 LankellyChase Foundation, Visiting Professor at Birmingham City University
- Declared interests expiring during the year: None

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.

- Term: September 2013 to September 2017 (first term)
- Political activity: None
- Interests declared at year end: None
- Declared interests expiring during the year: Director of the Priory School which is an Academy Trust

Dr Robin Hooper, Non-Executive Director

Robin 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 Chartered 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
- Interests declared at year end: Director of Planning Group Limited, Chief Executive of Eden District Council, Director of Verity House Limited, Trustee 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 Oak Street Property Limited, Director of Oak Street Wimblington Limited, Director of Hollyhead Estates Limited, Director of Hollyhead Estates Wrenbury Limited
- Interests expiring during the year: Director of Carlisle College, Director of Acton Mill Care Farm 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: None
- Interests declared at year end: None
- Interests expiring during the year: None

Mrs Donna Leeding, Non-Executive Director

Donna has spent the last 24 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
- Interests declared at year end: None
- Interests expiring during the year: None

Mr Brian Newman, Non-Executive Director

Brian has over 30 years experience at managing director level in a variety of international businesses, including, for eight years, as Managing Director of GKN plc's global Wheels Division, headquartered in Telford. He also has considerable Trade Association board experience including as chairman of the board of the British Fluid Power Association. Brian, who is a Freeman of the Shrewsbury Drapers Company, is married with three adult sons. He is Chairman of Governors of Prestfelde School and non-executive director of a manufacturing company (Teknomek Ltd.).

- Term: April 2014 to March 2016 (first term)
- Political activity: None
- Interests declared at year end: Director – Teknomek Limited, Director – Friars 577 Limited (Teknomek's holding company), Director - Prestfelde School Limited, Director - Prestfelde School Enterprises Limited, Director - Beckbury Associates Limited, Director – The Woodard Corporation Limited
- Interests expiring during the year: Director of Harrington Generators International Ltd.

Dr Simon Walford, Non-Executive Director

Simon 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 2014 to September 2016 (second term)
- Political activity: None
- Interests declared at year end: Trustee of Wolverhampton Grammar School, Governor of University of Wolverhampton, Director of Wolverhampton Academies Trust, In receipt of an NHS Pension
- Interests expiring during the year: None

Members of the Trust Board: Chief Executive and Executive Directors

Mr Peter Herring, Chief Executive

Peter 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
- Interests declared at year end: Member of the Board of the NHS Providers (formerly NHS Foundation Trust Network), Member of Shropshire University Board
- Interests expiring during the year: None

As reported in the Annual Report 2013/14, at the beginning of 2014/15 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 Pension Scheme and request to continue working (paragraph 8.2), which was accepted by the Trust Board. His remuneration reduced to reflect 24 hour retirement from the NHS Pension Scheme and part time hours during the following month. He received his pension lump sum with annual pension benefits deferred until his retirement from employment from the Trust which will be in July 2015. This means that from 2014/15 the Chief Executive is no longer a contributing member of the NHS Pension Scheme.

In February 2015, Peter Herring announced his intention to retire from the Trust in July 2015.

Mrs Sarah Bloomfield, 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.

- Appointed: 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)
- Interests declared at year end: None
- Interests expiring during the year: None

Dr Edwin Borman, Medical Director

Edwin 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 British Medical Association's (BMA) Junior Doctors Committee and its International Committee, serving for over twenty years as a BMA Council member and for 14 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
- Interests declared at year end: Secretary General of the European Union of Medical Specialists
- Interests expiring during the year: 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 Robert Jones and Agnes Hunt Orthopaedic Hospital NHS Foundation Trust 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 co-ordinator 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
- Interests declared at year end: None
- Interests expiring during the year: None

Mr Neil Nisbet, Finance Director

Neil joined the Trust in April 2011, having previously been a Finance Director for 12 years and most recently Director of Organisational Resources and Director of Finance at Wolverhampton City PCT.

- Appointed April 2011
- Interests declared at year end: None
- Interests expiring during the year: Trustee of Wolverhampton Citizens Advice Bureau

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. Information about attendance at Trust Board meetings is included in the Annual Governance Statement at Appendix 6.

The Board received reports from the five committees chaired by the Non-Executive Directors: Audit Committee, Finance Committee (including Charitable Funds), Quality and Safety Committee, and Remuneration Committee. In addition the Trust Board received reports from the four committees chaired by executive directors – Hospital Executive Committee (chaired by the Chief Executive), Workforce Committee (chaired by the Workforce Director), Risk Committee (chaired by the Chief Executive) and Business Development and Enterprise Committee (chaired by the Director of Business and Enterprise) – 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.

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 12 members at year end, which is appropriate for the size of the organisation. A new Non-Executive Director (Brian Newman) commenced in post April 2014, and interviews for the Director of Nursing and Quality took place in April resulting in the substantive appointment of Sarah Bloomfield who had been acting in the role since September 2013. Recruitment of the next chief executive commenced during Q4 following Peter Herring's announcement that he will retire from the Trust shortly after year-end in July 2015. Simon Wright, currently Deputy Chief Executive and Chief Operating Officer of Warrington and Halton Hospitals NHS Foundation Trust, was appointed as the next chief executive in May 2015 following a rigorous selection process. He will join the Trust later in 2015.

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 Independent Non-Executive Director was identified 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 Standing Orders. The Trust has recently appointed to a Non-Executive Director vacancy to complete the complement of Non-Executive members.

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.

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 compliant with the NHS Code of Governance. 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. The Board is assessed continuously against the DH Board Governance Assurance Framework, and the process was given substantial assurance by Internal Audit during the year. This will be replaced by the Well Led Framework as soon as guidance is available. The Board also performs its own self assessment annually, and the Chair will be commissioning an external review in the coming year. The Board also reviews the committee structure annually which identified the need and led to the establishment of the new Business Development and Engagement Committee during the year as a tier 2 committee to the Board. The review also took into account stakeholders' own assessment of effectiveness of the each committee they attend, membership, ToR and effectiveness of each chairperson.

The Head of Internal Audit provides an opinion on the overall arrangements for gaining assurance through the Board Assurance Framework, and on the controls reviewed as part of Internal Audit's risk-based annual plan. Internal Audit's review of the Trust's Assurance Framework gave substantial assurance and noted: "It is my opinion that we can provide Substantial Assurance that the Assurance Framework is sufficient to meet the requirements of the 2014/15 AGS and provide a reasonable assurance that there is an adequate and effective system of internal control to manage the significant risks identified by the Trust".

The Audit Committee undertook a self-assessment during December 2014 based upon the checklists within the NHS Audit Committee Handbook. The report provided further assurance to the Board that the Trust's Internal Audit function continued to comply with public sector standards.

The Trust's Internal Audit function is provided by Deloitte LLP, who attend all Audit Committee meetings. An annual workplan, focusing on potential areas of concern, is drawn up and agreed by the Audit Committee (which is constituted by Non-Executive Directors). Non-Executive Directors have the ability to hold private meetings with Internal Audit to raise concerns. Internal Audit reports are presented to the Audit Committee and any recommendations are followed up through the 4Action recommendation tracking system. At year end, there were no outstanding audit recommendations.

Audit Committee

The Audit Committee's chief function is to advise the Board on the adequacy and effectiveness of the Trust's systems of internal control and its arrangements for risk management, control and governance processes and securing economy, efficiency and effectiveness (value for money). The audit committee met regularly throughout the year. Chaired by Non-Executive Director Dr Robin Hooper the committee comprises three Non-Executive Directors (including the committee chair). The other committee members during the year were Dennis Jones and Dr Simon Walford. Other Non-Executive Directors are welcome to attend. 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 five occasions during the year. This included one special meeting to review the annual accounts.

More information about the Trust's external auditors can be found in Section II.2.

The Audit Committee prepares an annual report taken to the June Trust Board outlining its work. The Audit Committee's chief function is to advise the Board on the adequacy and effectiveness of the Trust's systems of internal control and its arrangements for risk management, control and governance processes and securing economy, efficiency and effectiveness (value for money). In order to discharge this function the Audit Committee has approved an Annual Report for the Board and Accountable Officer. This Report includes information provided by Internal Audit, External Audit and other Assurance Providers, including the Trust's Risk Committee. An outcome summary of the Audit Committee is formally reported to the public session of the Trust Board. In addition, the Chair of the Audit Committee summarises the key issues following each meeting in an update to the following Trust Board.

Examples of issues brought to the attention of the Board during the year are:

- Received the draft Local Counter Fraud Specialist (LCFS) Annual Report and was pleased to note the overall performance of the LCFS met the four Key Principles of the NHS Protect Standards for Providers: Fraud, Bribery and Corruption.
- Noted that External Audit will issue an 'except for' opinion in respect of the Value for Money (VFM) conclusion relating to financial resilience.
- Were pleased to note the 'substantial assurance' opinion given by Internal Audit on the Board Assurance Framework. This is the third consecutive annual positive opinion.
- Recommended that a letter be submitted to the NTDA highlighting concerns about the cash flow pressures impacting on small suppliers, which the Finance Director agreed to compose on behalf of the Chair.
- Noted the first report on declarations of interest and gifts and hospitality in line with the Trust's revised Standards of Business Conduct Policy (HR52). The Committee were pleased to note the good response rate.
- Discussed the External Audit's annual year end audit reporting process. They will take highlight key audit risks and emerging risks which may affect their 2014/15 year end audit, taking into account the VFM

conclusion guidance recently issued by the Audit Committee. It was suggested that it would be helpful to comment on the likely effect on performance and finance if activity in 2014/15 had been within plan.

- Discussed the junior doctor's sickness management audit and Return to Work interview compliance.
- Discussed the data Quality Audit. The importance of accurate data in terms of both ensuring that care was delivered efficiently and that finances were safeguarded was noted. The importance of health-related IT solutions across the whole of Shropshire were also discussed and the importance of linkages between the different elements. It was noted that the Finance Committee had been tasked to provide assurance to the Board, through Internal Audit, that all appropriate measures were in place.
- The Committee also discussed the Trust's recognised financial consequences of duplication of clinical services and welcomed the early Board-level discussions with partners in the Local Health Economy to minimise these.
- Thanked the Finance Team and support from Internal Audit in arriving at long-term solution to historic structural financial position.
- Noted that Internal Audit have made recommendation that there should be more Non-Executive Director (NED) oversight of significant discussions about the Trust's long term funding options. The Audit Committee recommended that the Board seek confirmation from NEDs that they are content with current involvement in the Trust's negotiations to secure permanent funding solutions. This was discussed at the next Board meeting and members felt that there was sufficient involvement.
- Noted that reasonable progress has been made in relation to the Board Governance Assurance Framework. There are two 'red flags'. One is the requirement to have an independent evaluation of Board effectiveness and the committee structure within two years. It has been agreed that this review will not take place until the Chief Executive has been in post for a year. The second red flag concerns Board succession planning. The Committee recommended that a Skill Matrix and Equality and Diversity self assessment is used.
- The Committee was pleased to receive assurance from Internal audit that in terms of Recommendation Tracking and Declarations of Interest/Standards of Business Conduct the Trust was out-performing some flagship FT clients.
- The Workforce Pay Controls Audit, requested by the Board, was brought back to Audit Committee. There was discussion around the current nursing template and the plan to externally benchmark SaTH's position with peers, whilst recognising that this issue and that of Nurse Agency was a national issue. It was noted that Workforce Committee will be providing assurance to the Board on progress and that any recommendations that needed to be revised would be agreed in this forum.
- Noted that Internal Audit has raised the ongoing problems in relation to timely signing of commissioner contracts. This is likely to be an even more protracted process this year as there are problems around the tariff. The Contracts Team were asked to provide assurance to Audit Committee around the processes in place.

The main performance indicator for external audit is performance against the Audit Plan. All issues are met in line with the Plan. In addition the Audit Commission submits a satisfaction survey to clients to enable them to comment on performance. The external auditor is appointed by the Audit Commission and Ernst & Young will replace KPMG as the Trust's external auditor in 2015/16.

During 2014/15, External Audit undertook non-audit work as instructed by the Trust covering the Quality Account, Severance and Stroke rehabilitation to the value of £32,035 plus VAT.

Auditors appointed by the Audit Commission must comply with the Code of Audit Practice which states that:

“Auditors and their staff should exercise their professional judgement and act independently of both the Audit Commission and the audited body. Auditors, or any firm with which an auditor is associated, should not carry out work for an audited body, which does not relate directly to the discharge of auditors' functions, if it would impair the auditors' independence or might give rise to a reasonable perception that their independence could be impaired"

In considering issues of independence and objectivity we consider relevant professional, regulatory and legal requirements and guidance, including the provisions of the Code, the detailed provisions of the Statement of Independence included within the Audit Commission's Annual Letter of Guidance and Standing Guidance (Audit Commission Guidance) and the requirements of APB Ethical Standard 1 Integrity, Objectivity and Independence ('Ethical Standards').

The Code states that, in carrying out their audit of the financial statements, auditors should comply with auditing standards currently in force, and as may be amended from time to time. Audit Commission Guidance requires appointed auditors to follow the provisions of ISA (UK &1) 260 Communication of Audit Matters with ‘Those Charged with Governance' that are applicable to the audit of listed companies. This means that the appointed auditor must disclose in writing;

- Details of all relationships between the auditor and the client, its directors and senior management and its affiliates, including all services provided by the audit firm and its network to the client, its directors and senior management and its affiliates, that the auditor considers may reasonably be thought to bear on the auditor's objectivity and independence;
- The related safeguards in place; and
- The total amount of fees that the auditor and the auditor's network firms have charged to the client and its affiliates for the provision of services during the reporting period analysed into appropriate categories, for example, statutory audit services, further audit services, tax advisory services and other non-audit services. For each category, the amounts of any future services which have been contracted or where a written proposal has been submitted are separately disclosed.

Appointed auditors are also required to confirm in writing that they have complied with Ethical Standards and that, in the auditor's professional judgement, the auditor is independent and the auditor's objectivity is not compromised, or otherwise declare that the auditor has concerns that the auditor's objectivity and independence may be compromised and explaining the actions which necessarily follow from his. These matters should be discussed with the Audit Committee.

Ethical Standards require auditors to communicate to those charged with governance in writing at least annually all significant facts and matters, including those related to the provision of non-audit services and the safeguards put in place that, in our professional judgement, may reasonably be thought to bear on our independence and the objectivity of the Engagement Lead and the audit team.

General procedures to safeguard independence and objectivity:

- [the external auditor’s]…reputation is built, in great part, upon the conduct of our professionals and their ability to deliver objective and independent advice and opinions. That integrity and objectivity underpins the work that KPMG performs and is important to the regulatory environments in which we operate. All partners and staff have an obligation to maintain the relevant level of required independence and to identify and evaluate circumstances and relationships that may impair that independence.

- Acting as an auditor places specific obligations on the firm, partners and staff in order to demonstrate the firm's required independence. KPMG's policies and procedures regarding independence matters are detailed in the Ethics and Independence Manual ('the Manual'). The Manual sets out the overriding principles and summarises the policies and regulations which all partners and staff must adhere to in the area of professional conduct and in dealings with clients and others.
- [the external auditor]… is committed to ensuring that all partners and staff are aware of the principles. To facilitate this, a hard copy of the Manual is provided to [the external auditor's]…staff annually. The Manual is divided into two parts. Part 1 sets out [the external auditor's]…ethics and independence policies which partners and staff must observe both in relation to their personal dealings and in relation to the professional services they provide. Part 2 of the Manual summarises the key risk management policies which partners and staff must follow when providing such services.
- [the external auditor assures that]…all partners and staff must understand the personal responsibilities they have towards complying with the policies outlined in the Manual and follow them at all times. To acknowledge understanding of and adherence to the policies set out in the Manual, all partners and staff are required to submit an annual Ethics and Independence Confirmation. Failure to follow these policies can result in disciplinary action.

Remuneration Committee

The Remuneration Committee comprises the Chairman and Non-Executive Directors of the Trust. It met on seven occasions during the year (29 May 2014, 26 June 2014, 25 September 2014, 18 December 2014, 28 January 2015, 26 February 2015 and 26 March 2015).

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.

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 public and staff membership at 31 March 2015 was 15,429. A breakdown of membership figures and changes in membership during the year is provided in Appendix 4.

Public membership

Our public constituency is open to individuals aged 14 years and over and who live in one of five sub-constituency areas. These reflect our main catchment of Shropshire County (divided into three sub-constituencies: Central Shropshire, North Shropshire and South Shropshire), Telford and Wrekin (one sub-constituency) and Powys (the Powys sub constituency covers Montgomeryshire and three wards in north east Radnorshire). Following consultation in 2012/13, our North Shropshire, South Shropshire and Telford & Wrekin constituencies were expanded to include an additional 12 neighbouring wards:

- 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.

These areas encompass a population that accounts for 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.

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 ahead of trajectory and will meet this target by the end of 2015 whilst ensuring that we actively address representativeness of its members.
- Over the past year we have seen an increase in the number of members attending health lectures, on average between 60-110 people. Health lectures are open to all public and staff Foundation Trust members
- We are currently developing ways to engage staff; the Trust has recently launched a staff volunteer scheme following a successful pilot. The scheme enables staff the time to volunteer on wards and departments to support our patients and improve their experience.
- Over the past year we have also put on a number of Dementia Friend Information sessions for our members, these event have been very popular with our public and staff membership. Currently we have trained over 200 people in our local community as dementia friends.
- The Trust has recently launched a corporate volunteer scheme, which enables local business and charities to become involved with the Trust through 'Making a difference days'. We have had a number of local businesses involved with specific projects in which they volunteer their time and/or resources (for example redeveloping a courtyard at PRH specifically for patients with dementia or who have had a stroke).

- The Trust has continued to attend local events, career and college events to promote foundation Trust membership.
- We 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.

Further information

As an aspirant NHS Foundation Trust we currently do not have a Council of Governors, hence members who wish to communicate with Directors or have any queries relating to Foundation Trust should contact the Governance and Membership office. Members also have the opportunity to communicate with the Trust through 'Health lecture' events, Trust AGM and recruitment events within the community.

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

II.2 Declarations & Mandatory Statements

This section of the Annual Report contains declarations and mandatory statements as specified in the Department of Health Group Manual For Accounts 2014/15, Trust policies and other relevant legislation and guidance.

Accounting Policies

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 2014/15 there have been no new accounting standards adopted by the Trust.

Cost Allocation and Charges for Information

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 are available on the Trust website. Such charges are in line with Department of Health guidelines.

Counter Fraud

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 to inform them of the need to be particularly vigilant to the possibility of fraud. As well as investigating potential frauds, notified to the LCFS by the Trust, there have been proactive exercises to detect potential fraud including an examination of fraud red flags in sickness absence; consultant job planning, and centralised recruitment. The LCFS has commended the policy review process, and the process for declarations of interest in place at the Trust.

The Trust's policy on Standards of Business conduct was revised in 2014 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 recommendation has been implemented to include all permanent medical staff; all staff at band 8 and above; specialist nurses; and all procurement and stores staff. The Board's Register of Interests was kept updated during the year and the Trust has declared compliance for c.99% of relevant staff for the first full year of reporting (2013/14) and is moving to an electronic reporting system for 2014/15.

Directors' Interests

Details of the company directorships and other significant interests of the members of the Board are provided in Section II.1.

Disclosure of Personal Data Related Incidents

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

Tables II.2a and II.2b identify the incidents relating to person identifiable information which were reported in the Trust in 2014/15.

Table II.2a **Summary of significant incidents involving person identifiable data reported to the Information Commissioner in 2014/15**

Item	Date	Nature of Incident	Nature of Data Involved	Notification Steps
	None	None	None	None

Notes to table: This table sets out significant incidents relating to personal data reported to the Information Commissioner in 2014/15, in accordance with guidance from the Department of Health (Gateway 9912).

Table II.2b **Summary of other incidents involving person identifiable data in 2014/15**

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	3
IV	Unauthorised disclosure	28
V	Other	8

Notes to table: This table sets out other incidents relating to personal data in 2014/15, in accordance with guidance from the Department of Health (Gateway 9912)

Emergency Preparedness

The Trust has seen steady improvement in emergency preparedness and it continues to improve as teams become more embedded following the establishment of Care Groups in 2013. Whilst minimum standards have been maintained, there have been some challenges to staff training, equipment and preparedness with the emergency department teams due to sustained demands for emergency services through the year.

To ensure the standardisation of Emergency Preparedness Response and Recovery (EPRR) in NHS Organisations, NHS England has produced a set of Core Standards for NHS organisations to self-assess their compliance. The Trust during 2013/14 and then subsequently during 2014/15 embarked on an improvement plan to ensure we were compliant and or we had an action plan for delivery of all core standards. The initial 120 Core Standards were amended in 2014 to create 46 EPRR Standards, 14 CBRN (Hazardous Material) Standards; and 37 CBRN (Equipment) Standards. The 2014 SaTH Self-Assessment Audit found the following:

- EPRR: 37 Green; 5 Amber; 4 not applicable;
- CBRN (Hazardous Material): 6 Green; 8 Amber;
- CBRN (Equipment): 32 Green; 2 Amber; 2 not applicable; 1 not issued.

The Trust's implementation plan anticipates full compliance with the revised standards by the end of Q2 2015/16.

Other developments during the year include:

- A full review of the Trust's Emergency Plans has been undertaken.
- The SaTH Business Continuity Policy & Strategy and the SaTH Business Continuity Template Plan document (Reviewed March 2015) have recently been audited as part of achieving the ISO standard 22301, which specifies the requirements for a management system to protect against, reduce the likelihood of, and ensure the business recovers from disruptive incidents. The review was conducted within Medical Engineering Services, with the area achieving the ISO standard. This will be used as the basis for roll out across the Trust.
- All service managers are carrying out a review of all Business Continuity Plans. These will be submitted during Q1 2015/16.
- Since November 2014 every corporate Emergency Planning and Business Continuity document has been reviewed. This supports preparation for our audit against ISO 22301 standards.

Next steps include further review and development to align our plans and procedures with ISO 22301.

Employee Consultation

The Trust formally recognises 11 trade unions and professional associations for the purposes of collective bargaining, consulting, communicating and negotiating with staff. These are the British Dietetic Association, British and Irish Orthoptic Society, British Medical Association, Chartered Society of Physiotherapists, Federation of Clinical Scientists, Hospital Consultants & Specialists Association, Royal College of Midwives, Royal College of Nursing, Society of Radiographers and Unison/British Association of Occupational Therapists. We meet on a monthly basis to discuss issues affecting terms and conditions and the Trust as a whole. During the year we have worked with ACAS to improve the way we work together, and this continues into 2015/16.

We communicate with staff using a variety of media and methods including Chief Executive's Core Brief (open to all staff), podcasts available on the intranet and internet, departmental team brief, and publications such as Chatterbox and mail drops within pay packets.

Equality and Diversity

The Shrewsbury and Telford Hospital NHS Trust is proud to support the Equality and Diversity agenda and has an Equality and Diversity policy and a specific policy on employing people with disabilities.

We renewed our commitments under the Positive about Disability – "Two Ticks" symbol through the Job Centre Plus programme, encouraging applications from people with disabilities through the guaranteed interview scheme and we also continued to support employees who have become disabled during their working career to continue working within the Trust, albeit in a different or adapted role through the internal alternative employment register.

We recognise the value that all our staff give to the care of our patients directly and indirectly, and this is reflected in the Trust employing a diverse workforce representative of the communities we serve as one of the largest employers in the Shropshire and Telford & Wrekin area.

The Equality and Diversity policy demonstrates the Trust's commitment to preventing discrimination and promoting equality and diversity for patients, visitors and staff. The Trust Values of Proud To Care, Make It Happen, We Value Respect and Together We Achieve to which our staff have signed up to, are strong

indicators that we are committed to ensuring all who have contact with the Trust in whatever capacity, are treated fairly, equally and are free from harm.

We have continued to engage with local communities in projects such as the Prince's Trust, giving opportunities for work-ready young people interested in a variety of roles within the NHS to come and work with a variety of departments across the Trust. More recently we have expanded the apprenticeship schemes in many different job roles across the Trust.

The Trust is monitored on Equality and Diversity indicators and publishes an annual update to the Trust Board each year.

Diversity of Staff:

- 80% of the workforce is female and 20% male, 41% of the Trust Board is female and 59% male, of the executive directors on the Board 60% are female and 40% males, and of the Trust's senior managers 74% are female and 26% male;
- 11% of staff identify themselves as from an ethnic minority background (compared to a local population figure of approximately 2%);
- 19% of staff are aged between 16 and 30 with 29% of staff aged between 41-50;
- 2% of staff identify themselves as having a disability (however 26% do not declare whether they do or do not have a disability, as it is not compulsory to declare this information to an employer).

More information on the diversity of our staff can be found at Appendix 3.

Exit Packages and Severance Payments

The table below reports the number and value of exit packages agreed in the year. A provision was set up in the previous period to cover the costs of this departure. Ill-health retirement costs are met by the NHS Pensions Scheme and are not included in the table.

Table II.2c **Exit Packages agreed in 2014/15**	**Year Ended 31 March 2015**			**Year Ended 31 March 2014**		
Exit Package Cost Band (including any special payment element)	**No of compulsory redundancies**	**No of other agreed departures**	**Total number**	**No of compulsory redundancies**	**No of other agreed departures**	**Total number**
Less than £10,000	0	0	0	0	0	0
£10,001 to £25,000	0	0	0	1	0	1
£25,001 to £50,000	0	0	0	0	0	0
£50,001 to £100,000	0	0	0	0	0	0
£100,001 to £150,000	0	1	1	0	0	0
£150,001 to £200,000	0	0	0	0	0	0
£200,001 and over	0	0	0	0	0	0
Total number	**0**	**1**	**1**	**1**	**0**	**1**
Total resource cost (£s)	**0**	**102,566**	**102,566**	**10,629**	**0**	**10,629**

The one "other agreed departure" accounted for in 2014/15 related to an exit payment following Employment Tribunal, as outlined in Note 10.5 of the Annual Accounts (see Appendix 6).

External Auditor's Remuneration

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 £121,633 (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 of £32,035 (excluding VAT):

Table II.2d: External Auditors	Year Ended 31 March 2015
Item	**£**
Audit Services	121,633
Other Services	32,035

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.

Health and Safety

The Health and safety Committee met three times during 2014/15 (A fourth meeting was scheduled to take place but was postponed as this was during the week of the CQC Inspection of the Trust). It reports directly to the Risk Committee, which is chaired by the Chief Executive.

There were four HSE Inspections during the year:

- One resulted in an Improvement Notice relating to safer sharps which was fulfilled and lifted in 2015;
- One resulted in a Notice of Contravention following a fall in the Emergency dept at the Princess Royal Hospital.

In all cases the Committee has been updated on actions required and undertaken.

A number of policies have also been revised and re-issued by the Committee; for example, there has been extensive work around mask fit testing.

The Trust is currently working closely with the Health and Safety Executive following a whistleblowing disclosure relating to asbestos management, which has been investigated internally and actions put into place.

Ill Health Retirements

A total of 6 people retired early on ill-health grounds in 2014/15 for which NHS Pensions has calculated the total additional pensions liabilities to be £179,000.

Occupational Health

The Trust has worked closely with its Occupational Health team on a number of topic areas throughout the year. In relation to the management of individual sickness absence, we continue to encourage managers to use Occupational Health services proactively and as early as possible, and have reinforced this in a number through our revised Trust policy on Managing Attendance and Employee Wellbeing, as well as management briefing sessions, the development of more user-friendly manager's resources on absence management and

departmental Occupational Health case discussion meetings as necessary. We are also beginning to use Occupational Health information to identify trends and inform the development of targeted interventions, both as a potential solution for historical sickness absence trends and as a focus for health & wellbeing interventions. Our Occupational Health service also provides pre-employment health screening, and we have worked to streamline and improve these services during the year. Our Health & Safety team also work closely with our Occupational Health provider to operate the health screening programme for staff in post.

Staff health and wellbeing is an integral part of our People Strategy. Our focus this year has been maximising early interventions, and as such the Trust has continued to support Health and wellbeing road shows for staff, healthy lifestyle advice and offering six monthly Health Kiosks with improved the onsite catering. We have expanded our offer for subsidised staff exercise classes and have invested in our staff gymnasiums.

Off-Payroll Engagements

The tables below provide information about 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).

Table II.2e

For all off-payroll engagements as of 31 March 2015, for more than £220 per day and that last longer than six months:	Number
Number of existing engagements as of 31 March 2015	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	-
… for between 2 and 3 years at the time of reporting	1
… for between 3 and 4 years at the time of reporting	-
… for 4 or more years at the time of reporting	-

This individual is not a member of the Board or other senior official with significant financial responsibility, and assurances have been sought and received that appropriate tax arrangements are in place.

Table II.2f

For all new off-payroll engagements between 1 April 2014 and 31 March 2015, for more than £220 per day and that last for longer than six months:	Number
Number of new engagements, or engagements reaching six months duration, between 1 April 2014 and 31 March 2015	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.	-

Payments: Better Payments 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 2014/15 the Trust achieved 59% in the year for non NHS invoices and 60% for NHS invoices (by value). The Trust made no payments of interest to small businesses under The Late Payment of Commercial Debts (Interest) Act 1998.

Table II.2g: Non-NHS Bills	Year Ended 31 March 2015		Year Ended 31 March 2014	
Item	**Number**	**£000**	**Number**	**£000**
Total Trade Invoices Paid	98,562	117,609	88,688	119,794
Total Paid Within Target	45,856	68,944	37,251	78,739
% Paid Within Target	47%	59%	42%	66%

Table II.2h: NHS Bills	Year Ended 31 March 2015		Year Ended 31 March 2014	
Item	**Number**	**£000**	**Number**	**£000**
Total Trade Invoices Paid	2,691	13,230	2,380	11,302
Total Paid Within Target	1,637	7,887	1,550	8,014
% Paid Within Target	61%	60%	65%	71%

Payments: Prompts Payment Code

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

Principles For 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 was reviewed in 2014/15, combining the previous Patient Advice and Liaison Service policy and Complaints policy into a unified approach to addressing issues of concern. Our refreshed approach 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 from the Corporate Nursing team.

Public Interest Disclosures

The Trust concluded an investigation following concerns being raised regarding individual practice in relation to private work. A number of recommendations are now being implemented.

As mentioned above (Health and Safety), the Trust is currently working closely with the Health and Safety Executive following a whistleblowing disclosure in 2013/14 relating to asbestos management, which has been investigated internally and actions put into place.

Research and Development

The Trust continues to be research active with 1555 patients participating in 83 National Research Ethics Committee approved studies during 2014/15. The Trust is listed in The Guardian newspaper table of top 100 recruiting Trusts.

SaTH achieved highest recruitment in the UK in 4 studies and were the highest recruiter into urological studies in the West Midlands. We recruited the first patient in the UK for a pharmaceutical international study.

We continue to support research in the wider community:

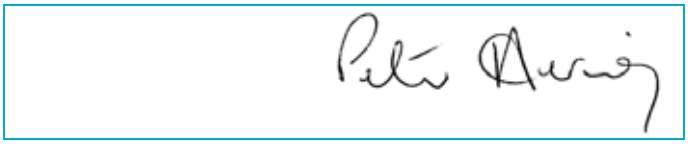
- The Trust acts as a Continuing Care site for local children recruited into cancer studies at Birmingham, delivering all relevant treatment and follow-up care;
- Providing Radiology and Pathology support for trials in primary care and mental health;
- Acting as a patient referral centre for specialist studies only available in specialised units.

Sickness Absence Data

Information about days lost due to sickness absence is included at Note 10.3 to the Annual Accounts in Appendix 6.

Treatment of Pension Liabilities in the Annual 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. Further details of these valuations can be found within the Notes to the Accounts of the Trust's Annual Accounts for 2014/15 (see Appendix 6).



Peter Herring
Chief Executive
30 July 2015

Part III. Remuneration Report

III. Remuneration Report

The salary and pension entitlements for the Trust's senior managers and directors for the financial year are shown in Appendix 5. 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 Trust Development Authority. The Remuneration Committee comprises the Chair and Non-Executive Directors of the Trust. During the year this was Trust Chair Professor Peter Latchford and Non-Executive Directors Brian Newman, Dennis Jones, Donna Leeding, Harmesh Darbhanga, Dr Robin Hooper and Dr Simon Walford. 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 NHS Trust Development Authority.

The Chair and Non-Executive Directors appointed in or before March 2014 have been appointed for terms of up to four years. The Non-Executive Directors appointed from April 2014 have been appointed for terms of two years. All appointments have been made in accordance with guidance and procedures from the NHS Trust Development Authority and its predecessor body the Appointments Commission. 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 not a general increase in the national Agenda for Change pay scale for NHS staff and for pay for medical consultants. The Trust therefore decided not to award its executives a pay increase. The Trust does not operate a bonus system.

Other than for the remuneration shown in Appendix 5, no financial awards were made to past or present senior managers.

There were no severance payments made to the Directors of the Trust in 2014/15.

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 the financial year 2014/15 was in the salary banding of £175k-£180k (2013/14, £185k-£190k). This was 7.3 times (2013/14, 7.77 times) the median remuneration of the workforce, which was £24,312 (2013-14, £24,312). In 2014/15 and 2013/14 the highest paid director was the Chief Executive.

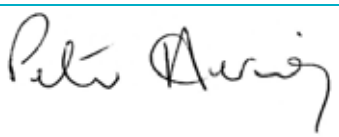
In 2014/15, 16 (2013/14, 5) employees received remuneration in excess of the highest-paid director. Remuneration ranged from the range £175k-£180k to the range £265k-£270k (2013/14, £190k-£195k to £260k-£265k).

Total remuneration includes salary, non-consolidated performance-related pay (not applicable to any member of staff in 2014/15 or 2013/14), benefits in kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

As reported in the Remuneration Tables to the Annual Report 2013/14, during 2014/15 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 to request to continue working, 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. The main reason for the reduction in pay multiples in 2014/15 compared with 2013/14 is the pro rata reduction in the Chief Executive's salary reflecting the period of his retirement from the NHS Pension Scheme.

The salaries and pension entitlements of the Trust's senior managers and directors for 2013/14 and 2014/15 are shown in Appendix 5.

In addition, the Trust publishes an annual register of job roles and salaries on its website within its Freedom of Information Act 2000 Publication Scheme.



Peter Herring, Chief Executive, 30 July 2015

Part IV. Sustainability Report

IV. Sustainability Report

The Department of Health provides a standard template for consistent reporting of sustainability information by NHS organisations. This Section provides the standard sustainability report for The Shrewsbury and Telford Hospital NHS Trust. Further information about the definitions and requirements can be found on the NHS Sustainable Development Unit website at www.sduhealth.org.uk

Introduction

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

"Healthcare with a kind touch and a small footprint"

As a part of the NHS, public health and social care system, it is our duty to contribute towards the level of ambition set in 2014 of reducing the carbon footprint of the NHS, public health and social care system by 34% (from a 1990 baseline), equivalent to a 28% reduction from a 2013 baseline by 2020. It is our aim to meet this target by reducing our carbon emissions by 10% by 2015/16, using 2007/8 as the baseline year

Policies

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

Table IV.a	Embedding sustainability in our policies and processes
Area	**Is sustainability considered?**
Travel	Yes
Procurement (environmental)	Yes
Procurement (social impact)	Yes
Suppliers' impact	Yes

One of the ways in which an organisation can embed sustainability is through the use of an SDMP. Our SDMP Action Plan was last presented to the Board on 26 March 2015.

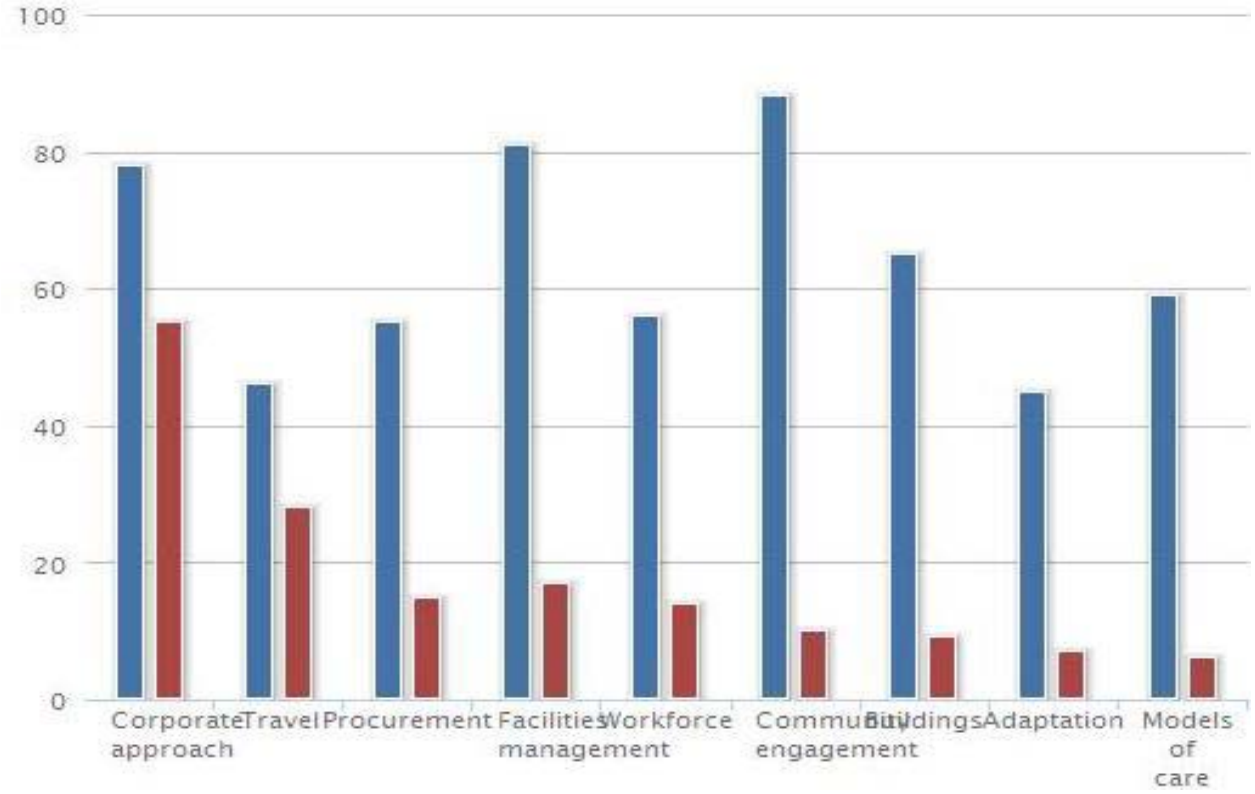
One of the ways in which we measure our impact as an organisation on corporate social responsibility is through the use of the Good Corporate Citizenship (GCC) tool. The last time we used the GCC self assessment was 15 April 2015, scoring 62%. As an organisation that acknowledges its responsibility towards creating a sustainable future, we help achieve that goal by running awareness campaigns that promote the benefits of sustainability to our staff. Our strapline is "Think Globally, Act Locally".

The chart overleaf shows the most recent self assessment (blue bars) against the nine measures within the Good Corporate Citizen programme, benchmarked against 104 other acute providers nationally (red bars). Overall, the Trust scored 62%, an increase of 4% compared to the previous assessment in 2013/14.

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 Trust-approved plans address the potential need to adapt the delivery the organisation's activities and infrastructure to climate change and adverse weather events.

Chart IV.i: Good Corporate Citizen comparison between Trust self-assessment (blue) and benchmark of acute Trusts nationally (red)



Partnerships

The NHS policy framework already sets the scene for commissioners and providers to operate in a sustainable manner. Crucially for us as a provider, evidence of this commitment will need to be provided in part through contracting mechanisms.

We have not currently established any strategic partnerships, although we have developed links with our Local Authorities, particularly in relation to sustainable transport. For commissioned services here is the sustainability comparator for our CCGs:

Table IV.b **Sustainability Comparator for our main commissioning organisations**

Organisation Name	SDMP	GCC	Board Lead	Adaptation	SD Reporting
Shropshire CCG	Yes		Yes	No	Good
Telford & Wrekin CCG	No	No	No	No	Minimum
Powys teaching Health Board	Not applicable				

More information on these measures is available from the NHS Sustainable Development Unit website at www.sduhealth.org.uk/policy-strategy/reporting/sdmp-annual-reporting.aspx

Performance: Organisation

Since the 2007/08 baseline year, the NHS has undergone a significant restructuring process and one which is still ongoing. To provide some organisational context, it needs to be borne in mind that our estate and workforce have both grown since the baseline year; the table below illustrates this.

Our floor area has increased by 14% and the workforce has grown. Both these factors will impact upon energy and water usage and also upon waste production. We are also experiencing greater demand for our services and this will increase resource usage.

Table IV.c	Context Info			
	2007/08	2012/13	2013/14	2014/15
Floor Space (m^2)	105426	110786	113023	120,174
Number of Staff (wte)	3791	4572	4645	4741

In 2009 the Carbon Reduction Strategy outlined an ambition to reduce the absolute carbon footprint of the NHS by 10% (from a 2007 baseline) by 2015. In relation to our estates and facilities services, we are working towards this ambition as follows:

Energy: We have spent £3,369,061 on energy in 2014/15, which is an 8.8% increase on energy spend from last year.

There are several reasons for the increase. Our floor area increased by 9% compared to last year, with the completion and occupation of the new Shropshire Women and Children's Centre (SWCC). We experienced operational problems with one of our in-house power generation plants and this resulted in us having to purchase greater amounts of (more expensive) electricity from the National Grid. We also had to utilise a temporary oil heating plant for the new SWCC building for a period of time and this is a more expensive fuel than our usual source; natural gas. These factors also explain why our buildings-related carbon emissions have increased.

Table IV.d		Energy Use		
Resource		2007/08	2013/14	2014/15
Gas	Use (kWh)	53,097,000	66,958,293	61,793,258
	tCO_2e	10850	14205	12964
Oil	Use (kWh)	2,500,000	0	549,396
	tCO_2e	797	0	176
Coal	Use (kWh)	0	0	0
	tCO_2e	0	0	0
Electricity	Use (kWh)	17,055,237	19,114,573	20,346,831
	tCO_2e	6270	4431	6969
Total Energy CO_2e		17,917	18,636	20,109
Total Energy Spend		£4,654,594	£3,096,422	£3,369,061

Our total buildings-related energy has however, decreased by 4% from last year. Given that the winter was approximately 6% warmer than the previous year and that the estate has grown by 9%, this is a very pleasing result and reflects the efforts that are being put into controlling our energy use (adjustments and monitoring of energy management systems and also infrastructure improvements). The new SWCC building also incorporates very high levels of insulation, which contributes to the relative reduction in energy usage.

We have two on-site electricity generating plants which enable us to generate some of our own electricity at a lower carbon-intensity than grid-supplied electric and we utilise the 'waste' heat from this process to heat our buildings and provide hot water.

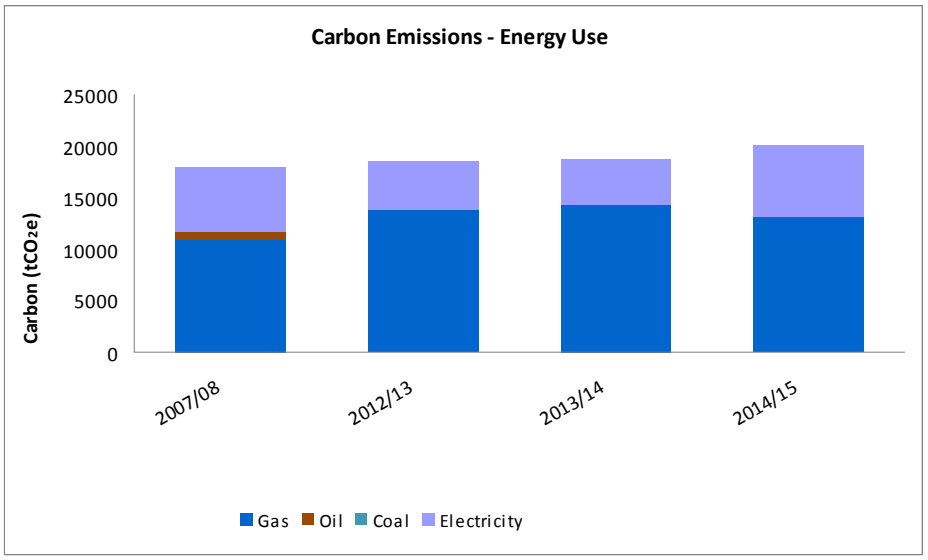


Chart IV.ii: Trend in energy usage compared with 2007/08 baseline

Comparison to 2007/08 Baseline Year

A direct comparison of buildings-related CO2 emissions in 2014/15 to the baseline year of 2007/08, shows an absolute increase circa 2200 tonnes (i.e. 12%). Such a comparison is meaningless however, until factors such as size of estate and prevailing external temperatures are accounted for. Since 2007/08, our estate has grown by 14% and also it was 2% warmer than 2014/15. Applying these factors would result in a predicted carbon emission of 20017 tonnes, compared with an actual emission of 20109 tonnes.

At first glance, this appears disappointing. In reality however, the carbon emissions in 2014/15 were higher than normal, due to the operational problems with in-house power plants and the temporary use of oil for heating.

Waste: Our overall waste has increased, primarily due to the relocation of Women and Children's Services.

Table IV.e		Waste		
Type		**2007/08**	**2013/14**	**2014/15**
Recycling	(tonnes)	15	329	76.00
	tCO_2e	0.32	6.91	1.60
Re-use	(tonnes)	0	0	0
	tCO_2e	0	0	0
Compost	(tonnes)	0	75	12
	tCO_2e	0	0.45	0.07
WEEE	(tonnes)	5.5	0	0
	tCO_2e	0.12	0	0
High Temp recovery	(tonnes)	0	268	1024
	tCO_2e	0	5.63	21.50
High Temp disposal	(tonnes)	295	0	0
	tCO_2e	64.9	0	0
Non-burn disposal	(tonnes)	619	518	547.00
	tCO_2e	13.00	10.88	11.49
Landfill	(tonnes)	782	248	8.49
	tCO_2e	191.13	60.62	2.08
Total Waste (tonnes)		1711.00	1438.00	1667.49
% Recycled/Re-used		1%	23%	5%
Total Waste tCO_2e		269.35	84.48	36.73

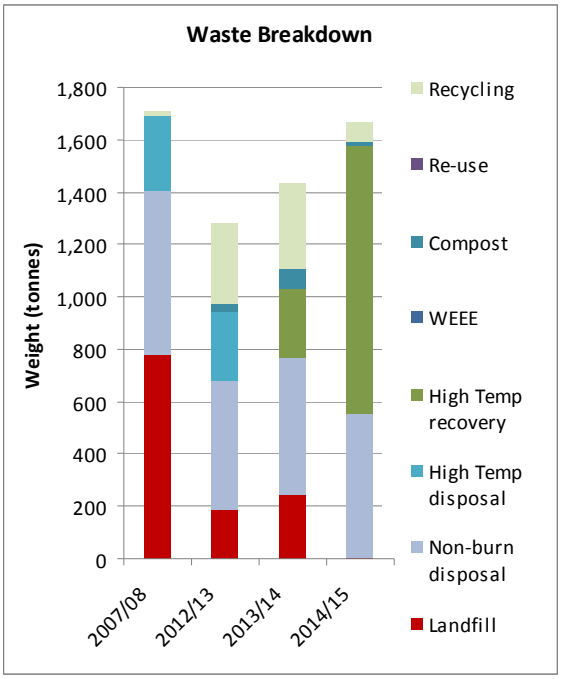


Chart IV.iii: Trend in waste disposal compared with 2007/08 baseline

There have been significant changes to the way in which our waste is processed, during the past year. We already segregate cardboard, garden waste, metals and glass baby-milk bottles for recycling. Our other domestic waste is co-mingled and is sent to a material recovery facility where any other recyclables are removed. The residue which comprises mainly contaminated paper, is used as refuse-derived fuel which goes to produce electricity at an energy-from-waste facility.

The increase in overall tonnage of waste produced during 2014/15, resulted from the considerable relocation that took place as part of the new Women and Children's Centre. The opportunity was taken to clear out old and redundant paperwork, furniture and equipment.

Our clinical waste is mainly treated in two ways - either high temperature incineration (with energy recovery) or, heat treated and then deep landfill. We are working with our waste contractor to increase the amount of non-infectious clinical waste that can be recycled.

As a result of the above schemes, our waste-to-landfill has, very pleasingly, been reduced from a peak of 248 tonnes to just over 8 tonnes per year and the carbon footprint of waste disposal has also dropped from a peak in 2007/08 of 269 tonnes to only 37 tonnes.

Water: Our water consumption has decreased overall, mainly due to the completion of building works on the Women and Children's Centre.

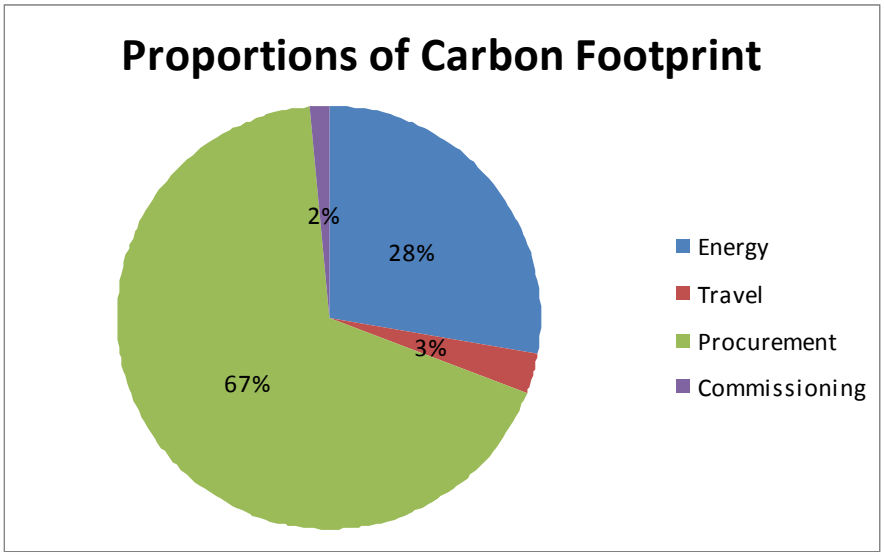
Between 2013 and 2015, construction work for the new Women and Children's Centre, meant that our water usage increased. The underlying consumption prior to the work, was however, very stable, and this is an indication that despite there being more staff and more activity on our sites, water usage is becoming increasingly efficient. Modernisation of the bathroom and other sanitary facilities will be contributing to this efficiency. A true picture of the effect of occupation of the new WCC will not be revealed until the 2015/16 reporting year. We have moved to a different way of being charged for our water supply, sewage and trade effluent, and this has reduced the cost of the service per volume of water supplied and removed.

Table IV.f **Water Use and Spend**

Type		2007/08	2012/13	2014/15
Mains	m^3	194,164	213,724	199,634
	tCO_2e	177	195	182
Water & Sewage Spend		£352,283	£417,003	£404,022

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

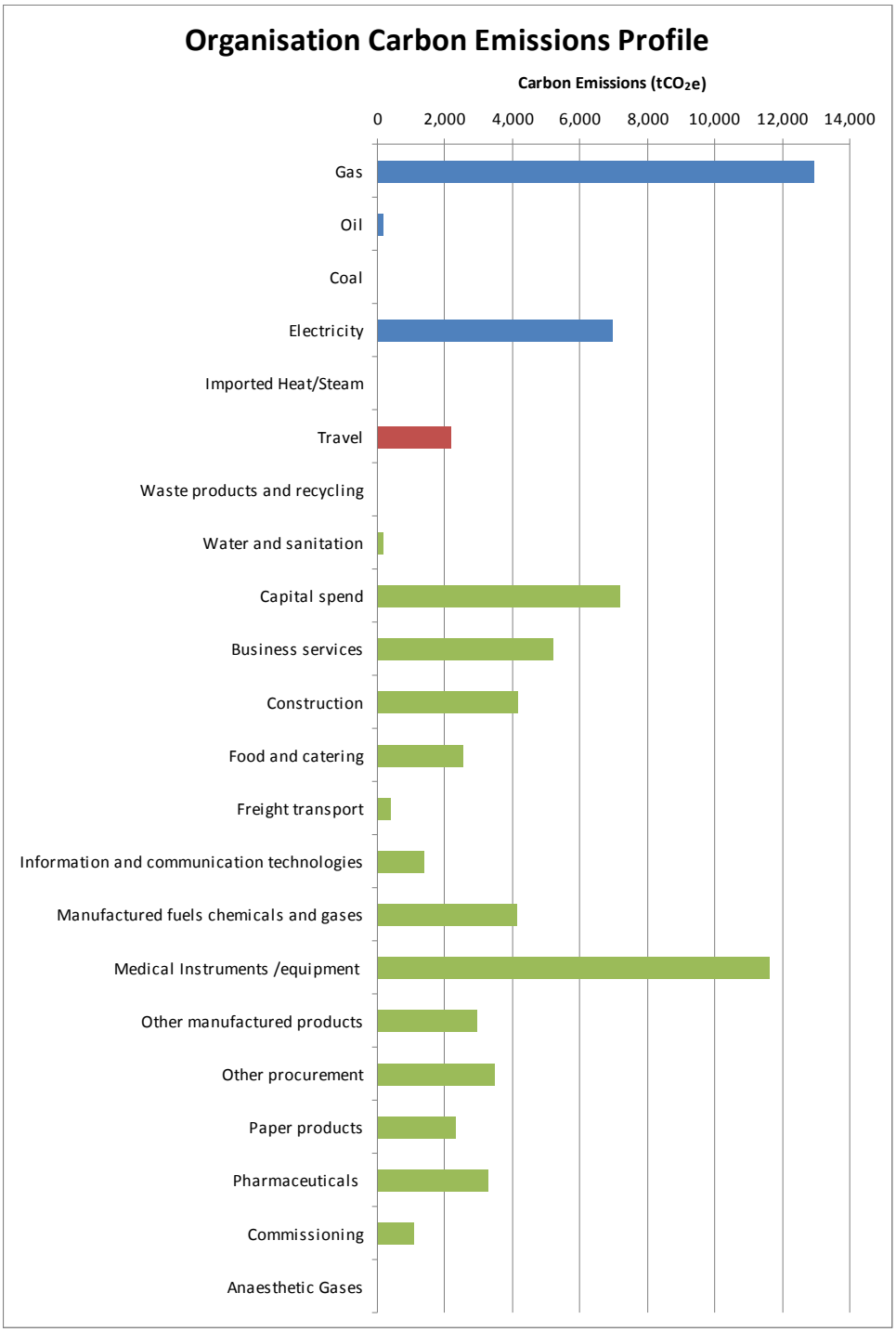
Chart IV.iv: Trend in energy usage compared with 2007/08 baseline

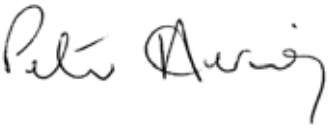


More information on this model is available from the NHS Sustainable Development Unit website at www.sduhealth.org.uk/policy-strategy/reporting/nhs-carbon-footprint.aspx

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 72,355 tonnes of carbon dioxide equivalent emissions (tCO_2e). Our emissions profile is set out in more detail on the next page.

Chart IV.v: Carbon Emissions Profile





Peter Herring, Chief Executive, 30 July 2015

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 Statement	A mandatory statement to accompany the accounts setting out the stewardship of the organisation.
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 Commission (CQC)	The independent regulator of health and care services. Their responsibilities include the 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. Locally there is a CCG for Shropshire and a CCG for Telford & Wrekin.
Clostridium difficile (C. diff)	Clostridium difficile is a bacterium that is present naturally in the gut of around 3% of adults and 66% of children. It does not cause any problems in healthy people. However, some antibiotics that 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 Negligence Scheme for Trusts)	The CNST Maternity standards support Trusts to improve the way they manage risk and thereby reduce clinical risk in their maternity services.
CQUIN (Commissioning for Quality and Innovation)	A payment framework that places financial penalties if providers do not meet agreed standards for improving quality and productivity.
Delayed Transfer of Care (DTC)	When a patient who no longer requires the care of our hospitals remains in hospital because of a 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 Infections (HCAIs)	Healthcare associated infections are infections that are acquired in hospitals or as a result of 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 (IG)	Systems and processes for maintaining the security and accuracy of information (including 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 originally created to treat Staphylococcus aureus (SA) infections).
NHS Foundation Trust (NHSFT or FT)	Providers of NHS services that are still part of the NHS but have greater financial freedoms and stronger accountability to local communities and staff through elected Governors.
NHS Litigation Authority (NHSLA)	Handles negligence claims and works to improve risk management practices in the NHS.
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 Authority (NHS TDA)	A body established in April 2013 to support and develop NHS Trusts on their journey to NHS Foundation Trust status.
Outpatient	Appointment or treatment that takes place in an outpatient setting and does not require a stay in hospital.
Patient Advice and Liaison Services (PALS)	The PALS service provides: confidential advice and support to families and their carers; confidential assistance in resolving problems and concerns quickly; explanations of complaints procedures and how to get in touch with someone who can help.
Primary Care Trust (PCT)	Until 31 March 2013, Primary Care Trusts were the main commissioners (purchasers) of health care services on behalf of local patients and communities. From 1 April 2013 their main commissioning responsibilities transferred to CCGs.
Powys Teaching Health Board	The main provider and commissioner of health services for people in Powys.
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 (RTT)	A term used to define the process from referral (e.g. by GP) to treatment (e.g. by hospital 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 Telford Hospital NHS Trust (SaTH)	An NHS Trust. The main provider of acute hospital services in Shropshire, Telford & Wrekin and mid Wales.
Strategic Health Authority (SHA)	Until 31 March 2013, SHAs were regional bodies responsible for overseeing strategy and 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.