

Putting Patients First

Annual Report and Annual Accounts 2012/13

The Shrewsbury and Telford Hospital NHS Trust

Annual Report and Annual Accounts 2012/13

Presented in accordance with the NHS Finance Manual: Manual For Accounts 2012/13 pursuant to the Companies Act 2006

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About this document

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

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

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

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

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

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

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

www.sath.nhs.uk

1. Chair's Introduction

As a Trust Board we are entrusted with an exceptional gift and duty on behalf of our patients and communities. This year I have had the great privilege of being entrusted with the role of Chair, albeit in challenging circumstances for the Board, the organisation as a whole and for the wider NHS.

I have been a non-executive Director of this Trust since it was established in 2003. Ten years later I am in my final term of office. During this time we have seen great successes but also great challenges for the NHS, and this year has been no exception.

In terms of successes, I am particularly proud of the new services that we have developed with magnificent support from our communities. The Lingen Davies Centre in Shrewsbury opened this year to provide state of the art cancer facilities, and work is well under way to create a modern women and children's unit in Telford.

Whilst our buildings provide the environment for delivering services, we all know that it is people who are at the heart of the NHS – people who provide care, people who support them to do this, people who receive care and their families and loved ones. Amongst the many developments this year I would like to highlight our work with young people. In partnership with the Princes Trust we launched a "Getting Into Hospital Services" programme that is giving new life chances for people who may have missed out on education and employment opportunities earlier in life; our youth volunteering programme is also helping to prepare our young people for tomorrow's workplace and to ensure a core focus on values such as care and compassion that must underpin every role in the NHS.

I also believe passionately in recognising a job well done, so I have been very grateful for all the letters and commendations from patients, members of staff and partner organisations that have contributed to my selection of the Chair's Award each month at the Trust Board meetings, as well as our many NHS Heroes.

Alongside our staff, we also benefit from the support of hundreds of Trust volunteers as well as the support, commitment and fundraising in our main charitable partners – the Friends of the Princess Royal Hospital, the League of Friends of

the Royal Shrewsbury Hospital and Lingen Davies. We are very grateful for their kind donations which have made such a positive difference to the environment, equipment and facilities that we are able to offer to our patients and to the staff who care for them.

Alongside these successes, I know that many of us inside and outside the NHS will need to look back some years to find a winter period that has been so challenging for the health service – and therefore for patients, relatives and staff.

As a Board we strive to be relentless in our pursuit of the highest standards of care for patients. At times this has proved difficult with increasing numbers of people with more complex needs attending hospital, challenges to provide timely care within hospital, and delays and difficulties for patients waiting for the next step in their recovery when they no longer need the specialist care provided by the county's main acute hospitals. We were not always able to provide the standards of dignified and timely care that we aspire to offer every patient, every time, but going forward I have every confidence that this Trust will maintain an unstinting focus on the experience, safety and outcomes for our patients.

Thinking specifically about the development of the Trust Board this year, we have also seen a year of change and some challenges. It was in very sad circumstances that I took on the role of Acting Chair when our previous Chairman, Dr John Davies, resigned on grounds of ill health in September 2012 and our deepest sympathies were with his wife Carolyn and their family when, sadly, John died earlier this year. He was a good and just man who was fair in all his dealings, showing great commitment to our hospitals and the wider community by giving unstintingly of his time, wisdom and knowledge.

In much more positive news, we welcomed Peter Herring as Chief Executive in September. Peter was at that point the longest serving NHS Foundation Trust Chief Executive in the country having steered Countess of Chester Hospital NHS Foundation Trust to become one of the first FTs in the country and remaining at the helm for 10 further years. Peter's passion for patient experience and patient safety is clear as the Countess of Chester is one of only five hospitals to be awarded the CHKS 40 Top Hospitals Award for its high clinical standards and outcomes for 12 successive years. I am delighted that we have been able to make such a prestigious appointment to the Trust and when I retire later this year I am confident that it will be in the safest hands.

On behalf of the Board I would like to thank Steve Peak who acted as interim Chief Executive during the summer after Adam Cairns departure in June and before Peter's arrival. Steve's period with the Trust as Transformation Director ended in March and we wish him well for the future. Dr Ashley Fraser continued with us as Medical Director during 2012/13 after his formal retirement, leaving the Trust for the final time at the end of the year to be replaced by Dr Edwin Borman who joined us in April. We also saw several other retirements from our senior medical body during the year, including members of the founding consultant body of the Princess Royal Hospital. Our thanks go to these and all other staff who retired during the year for their contribution to our patients and communities.

We were successful in recruiting to the post of Chief Operating Officer which had been vacant during the first part of the year, with Debbie Kadum joining us in December. We also strengthened our Board governance during the year by focusing Board membership on voting members. As a result Debbie Vogler's role changed, continuing as Director of Business and Enterprise but no longer as a non-voting member of the Trust Board. Thank you to Debbie for her contribution to the Trust Board and her continued

leadership and direction as part of the Trust's senior management team.

In our non-executive membership, Sue Assar's term of office ended in May and we were joined by Dr Robin Hooper in September who brought both his legal expertise and his significant experience in local government. Barry Simms left the Board at the end of the year with recruitment taking place in 2013/14 both for his post and also for my own when I finish my final term of office. With the resignation of Dr Davies during the year, this was also a year of personal change for me as I stepped in as Acting Chair, continuing in this role when the first recruitment process led by the former NHS Appointments Commission was not successful. At the time of writing the recruitment process has been relaunched by the new NHS Trust Development Authority which now has responsibility for all non-executive appointments to the Boards of NHS Trusts.

I would like to thank my colleagues on the Trust Board, across our hospitals and in our partner organisations – and our patients and communities – for their wisdom, support and challenge to me during my tenure as Acting Chair. I conclude my time with a sense of pride that, working with Peter Herring, we have achieved what we set out to achieve at the Board by ensuring a strengthened focus on experience, outcomes and safety at every Trust Board meeting. The quality and breadth of debate should give confidence to our patients and communities that this is an organisation that is committed to Putting Patients First, and I extend a warm welcome to everyone to attend our Board meetings so that you can experience this for yourself.

With recruitment of the next Chair under way, I wish my successor every success in ensuring that this organisation's future is founded on care, courage competence, commitment, communication, confidence and compassion.



Martin Beardwell
Acting Chair

2. Chief Executive's Foreword

Arriving at The Shrewsbury and Telford Hospital NHS Trust in September it was clear that this was an organisation with its challenges, but also with great potential and possibility. As I set out on my first full year with the Trust I am committed to ensuring that this organisation fulfils that potential and inspires pride in its staff and our patients and communities.

In terms of challenges, the main issue has been a very clear gap between capacity and demand that has had an adverse impact on patients and staff alike. The main difficulties described in this report all relate to this in some way. The most visible is the key performance indicators that we did not achieve (page 27). Our A&E waiting times were amongst the lowest in the country and whilst 18 week referral to treatment performance has shown significant improvement from the previous year, the demands for urgent and emergency care led to high numbers of cancellations which in turn contributed to targets not being met. These pressures also affected the pride that our staff were able to take in their work and, most importantly, the experience of our patients.

Whilst the balance between capacity and demand (and the link with the patient journey within our hospitals) is not the only area where I think this Trust needs to improve, it is a vital key that unlocks so many other issues. Looking ahead, the top priority will be for health and care organisations to work with patients and communities to tackle this – providing the right care and support in the community that reduces the need for hospital attendance and admission, strengthening support and assessment at the hospital front door and reducing delays, preparing patients for their transfer from hospital from the point of arrival if not before, and ensuring a range of services in the community that means that people do not stay in an acute hospital any longer than they need to.

Progress in these areas will help to drive a virtuous circle that will also create the foundations for improvements in other key areas – tackling avoidable pressure ulcers, continuing to reduce the harm from falls, ensuring the highest standards of communication and engagement with patients and between staff. These latter

issues are discussed in more detail in our Quality Account which we have included as an Annex to this Annual Report.

A critical document for all health services, for every patient, for every person who works in the NHS, has been the Francis Report. This sets out in the clearest terms the catastrophic failings in all parts of the health system that contributed to crisis of care in Stafford Hospital. In NHS hospitals we have already benefited from the previous reviews by Sir Robert Francis focusing on the changes needed within the hospital setting. The public inquiry report published this February is essential reading for anyone leading and managing health services and now provides a wider framework for improvement encompassing commissioning, regulation, review and policy. Not only must we be relentless in our pursuit of the patient's interests but also relentless in ensuring that the lessons from Mid Staffs are learned in every part of the health service and beyond.

It would be fair to say that this is a challenging financial period for the NHS, the public sector and the country as a whole. As the impact of financial austerity measures continues to bite, we all have a responsibility to be more efficient and more effective in everything we do. This year the Trust achieved its main financial duties and ended the year with a small surplus both in-year and recurrently. This is an incredible achievement for an organisation that only a few years ago faced an underlying deficit in the region of £30 million. This year's position has been achieved with financial support from the SHA, but this reflected our expectations at the start of the year that the actual levels of urgent and emergency care than those set out in the contract by our commissioners. In common with many Trusts across the country this created challenges in 2012/13 – capacity plans were based on the forecast income from our commissioners, when

demand exceeded capacity (our non-elective admissions increased by 5.67% this year compared with a zero growth forecast) steps must be taken to expand capacity to meet demand, the national contract means that Trusts only receive 30% marginal income for this additional activity yet extra staffing can often only be sourced with agency cost premia. Without doubt this had a significant impact on the ability of hospitals across the country to provide the highest standards of timely and compassionate care particularly during the winter. It will be vital that health and care systems develop robust plans for the year ahead that our patients and staff can be confident in.

It is easy for us to focus on the areas where performance was not up to scratch in 2012/13 – after all, these were issues that attracted the media spotlight up and down the country and affected the experience for patients who at times faced waits that I believe are unacceptable. However, there is also a lot that this organisation, its staff and its patients must be proud of. CHKS – an independent organisation that reviews the quality and performance of health services – placed The Shrewsbury and Telford Hospital NHS Trust amongst their Top 40 hospitals. This reflects that in many areas our local services are consistently achieving high standards of safety, experience or clinical outcomes. Great NHS staff are achieving amazing things. During the year ahead we can and must build on these foundations to spread success to every part of our services.

My passion – what drives me to work in the NHS – is to provide the best care possible using the resources available to me as wisely and effectively as possible. The culture of the organisation is central to this. Earlier I mentioned that when I joined the Trust last year I saw an organisation with potential and possibilities. Working in this organisation every day I meet caring clinical leaders, compassionate frontline staff, courageous managers, competent and confident patient advocates and a community of

colleagues committed to communication and change. My promise is to harness this in the best interests of our patients, and a key focus for me in the year ahead is to create the conditions for success – a culture that embraces challenge, an abiding vision for the future that we can achieve together, an environment of openness where we can share in the tough decisions that the NHS faces every day and will continue to face. How do we ensure the safest 24 hour care? How do we balance local and specialised? How do we ensure a model of care that will attract the workforce of the future? How does every part of the health and care system play its part, without the patient falling through the gaps created by our arguments about who is responsible? How do we tackle the big issues of the years ahead – financial austerity, an ageing population, increasing levels of dementia, more people living with cancer and diabetes? What does a district general hospital look like in 20 years? We can only answer these questions by working together and by accepting that there will never be one single answer on which we can all agree.

A final critical issue for me is that the NHS must be built on recognition and celebration, so I would like to mention some people who deserve my thanks for their achievements in 2012/13.

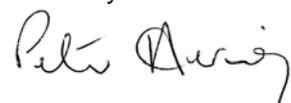
Every member of NHS staff who has been driven by values based on care and compassion to give of their best every day.

Amazing carers and volunteers who have given their time to help others – including those who contributed through the Local Involvement Networks and will do so in future through local Healthwatch.

Colleagues who have left the NHS this year after many years of service – including several founding members of the Princess Royal Hospital.

Everyone who has gone out of their way to thank someone for a job well done, as this truly inspires and motivates people to be all they can be.

Thank you.



Peter Herring
Chief Executive

The Year In Profile: Building The Future

It has been an exciting year for the Trust as the main building work for the new Women and Children's Unit at the Princess Royal Hospital (PRH) has now started.



Artists impression of the new Women and Children's Unit

When it opens in 2014, this will offer the very best, state-of-the-art, health facilities for babies, children, young people and women across Shropshire, Telford and Wrekin and mid Wales.

Following approval of the Full Business Case by the regional Strategic Health Authority in May 2012, preparatory work took place during the summer ready for building work to begin in December. However, whilst adverse weather gripped the county this did little to deter the builders' progress and work has remained on track. A new staff car park has been constructed, the foundations for the new unit have been laid and shortly after year end the erection of the steel work is near completion. It is not just the building work that is progressing, as clinical teams alongside managers and staff across the Trust are moving forward with the implementation of changes and developments needed to ensure the safe transfer of services in Summer 2014.

Involving the communities we serve

A key element of this work has been the continued involvement of patients and families in the design and development of the new services. Focus groups continue to engage mums and families in shaping the new maternity services whilst a "hard hat" competition gave young people across Shropshire, Telford & Wrekin and mid Wales the opportunity to get involved.

The winning hat was designed by Joseph Dowle aged 16 from Cedewain School, a special school in Newtown in Powys. As well as winning his school a prize of £100 in book vouchers, Joseph also secured a visit by the Unit's builders Balfour Beatty to his school to talk about life in construction and in hospitals. Shortly after year end Joseph and his school mates were invited to PRH to insert a golden bolt into a steel column which forms part of the new unit. He is pictured above with Councillor Kevin Guy who nominated local children's services as his 2012/13 Mayoral appeal in Telford & Wrekin and raised over £45,000 for education and play facilities for children at the hospital.



New facilities at the Royal Shrewsbury Hospital

Alongside the activity at Princess Royal Hospital there have also been significant developments during the year at the Royal Shrewsbury Hospital with the opening of the new surgical facilities during summer 2012. The focus now shifts to the design and development of the new women and children's facilities planned for the Royal Shrewsbury Hospital. This includes designing a Children's Zone to include a new Children's Assessment Unit (CAU) and Children's Outpatients, and a Women's Zone featuring a new Midwife Led Unit (MLU), Maternity Outpatients, Antenatal Day Assessment and the Early Pregnancy Assessment Service (EPAS).

More information about this work is available from our website at www.sath.nhs.uk/future

The Year In Profile: Cancer Centre

Cancer and haematology patients from across Shropshire and mid Wales are benefitting from the completion of the £5 million Lingen Davies Centre at the Royal Shrewsbury Hospital.

Phase one of the ambitious project was finished back in April 2012, when the new Chemotherapy Day Centre opened to general acclaim from patients and staff.

The rest of the project was completed on schedule, with the full state-of-the-art facility opening to the public in September. The two-floor building includes a new reception area, an outpatient unit for haematology, head and neck, and oncology patients as well as the day unit for chemotherapy.

The new building provides a single integrated facility for outpatients, chemotherapy and radiotherapy, with over 40,000 patient visits every year. It has been designed to make the most of natural light and ventilation, green spaces and airy spacious rooms. The environment has been designed to provide a healing, calming environment and has involved patients, carers and staff throughout the process.



Inside the light and spacious Haematology and Chemotherapy Day Centres

Grateful thanks go to our charity partners who have made this all possible. The project has cost more than £5 million and all of that has come from charitable donations. Lingen Davies took the lead with an appeal that raised almost £3.3 million. They also fronted a campaign to raise more than £350,000 for vital equipment for the new centre and to provide en-suite facilities for head and neck cancer patients in the new Unit at PRH. A further crucial injection of cash came from the Shropshire Blood Trust Fund, which provided more than £1 million, while Head and Neck charities raised £250,000 and the Royal Shrewsbury Hospital's League of Friends contributed £300,000.

Feedback from our patients shows that they have noticed a marked difference in the environment. For example, the treatment bays in the new Chemotherapy Day Centre have room for the patient and two or three family members to sit with them, if they wish, which can be a real comfort. The treatment bays have individually-controlled ventilation controls and power points so patients can bring in any electronic equipment they may wish to use.

The Year In Profile: Emergency Care

This winter saw Shropshire's two acute hospitals facing some of the biggest challenges in delivering emergency care for many years.

With increase in demand for hospital services, difficulties in discharging patients, and challenges to balance capacity, demand and timely flow of patients through our hospitals this had an impact on those patients waiting for treatment in A&E, but also for those waiting for planned operations.



Whilst the number of people attending A&E departments saw a small increase (0.23%) the number of non-elective inpatient spells increased by nearly 17% compared with 2012/13.

During the winter there were hundreds of operations cancelled on the day of surgery for non-medical reasons. This is unacceptable for a Trust that aspires to deliver safe, compassionate and dignified care to all of its patients, all of the time. It is incredibly frustrating for our patients and their families, particularly if the operation is cancelled at very late notice. It is also frustrating for the members of staff who come to work every day with the aim of making a positive difference and caring for patients.

This rising tide of pressure led to "major incident" procedures being put into effect at the Royal Shrewsbury Hospital shortly after year end in April 2013 in order to make sure we could continue to provide safe emergency care for those who needed it. This is something the Trust is determined to avoid happening again, and this means finding sustainable solutions to the challenges being faced not only in Shropshire, but by the NHS as a whole.

We aim to provide the highest standards of timely and dignified care that we can. Every day is an opportunity to Put Patients First. But at times during the year local services have not met the high standards that our patients have a right to expect. We know this has been incredibly frustrating for our patients, their families and our staff, and I would like to apologise if this has affected you – for example, if you have had to wait longer for treatment at our hospitals, have had an operation or appointment cancelled at short notice, or felt that communication or your continuity of care needed to improve. We are working hard to get it right.

From what I have seen since joining the Trust I know that we have the right foundations in place to provide the people of Shropshire, Telford & Wrekin and mid Wales with the standards of safe, high quality services they expect and deserve. This helps me to ensure we are responding to the Francis Report, and going forward that we are a Trust that is relentless in its pursuit of our patients interests.

Peter Herring, Chief Executive

The Trust has now made a number of key improvements at both hospitals. During the year this included opening additional permanent beds, and shortly after the year end we reorganised some of the existing wards at both PRH and RSH to help improve patient flow.

There has also been continued close working with health and social care partners to develop a renewed, refreshed and robust urgent care strategy for the health community. Key priorities include making better use of alternatives to attendance at hospital, strengthening the initial assessment and treatment at the front door of our hospitals (for example, to reduce the need for hospital admission), reducing delays in hospital and waiting for discharge, and improving the range of integrated services that support people to leave hospital in a timely manner when they no longer need the specialist care provided by an acute hospital.

The pressures facing hospital services up and down the county have been a major focus for politicians, press and the public and it is clear that in the year ahead there will continue to be a big debate about the best way to provide emergency care and to ensure that patients, relatives and staff do not face the same challenges as during winter 2012/13.

The Year In Profile: Celebrating Our Staff

We have a passionate belief in recognising a job well done, and our staff are celebrated in a variety of ways — both formally and informally.

Our annual Trust Awards are held every autumn, and give staff an opportunity to both share the excellent work they have done over the past 12 months, and nominate colleagues who they feel are deserving of recognition.

Awards celebrate the Leader of the Year, Ward or Department of the Year, shining a light on staff who work tirelessly behind the scenes, and highlight fantastic work in key areas such as Quality and Safety.

Among the winners in 2012 were: Dr Kevin Eardley (Leader of the Year), Portering Services and the Royal Shrewsbury Hospital Grounds Team (Behind the Scenes) and the PRH Acute Medical Unit (Putting Patients First Award: Ward or Department of the Year).

The Trust also presents a monthly Chairman's Award, which recognises and rewards the passion and commitment of NHS staff and volunteers. The Chairman's Award is presented to individuals and teams who represent the values of the Trust and of the NHS as a whole. Winners are celebrated at the beginning of each month's Trust Board meeting, when their story is shared with the Board and the audience. Recipients of the accolade are presented with a Chairman's Award certificate, a gift certificate and a Chairman's Award lapel badge.

The Trust also presents a regular Chocolate Box Moment, an informal award which highlights particular efforts or achievements in a more immediate way.



NHS Heroes

Around 100 individuals and teams at the Trust have also been celebrated over the past 12 months through NHS Heroes, a national recognition scheme.

Staff were nominated by members of the public and colleagues in the national NHS Heroes scheme last summer and the NHS Winter Heroes scheme at the beginning of 2013.

Nominations could be for anything that NHS staff do that really makes a difference to patients and ensures they receive not only the very best care, but also the best experience possible – from providing a hand to hold or shoulder to lean on, to the introduction of new programmes or services.

Staff were celebrated in the first round of NHS Heroes with recognition events at the Royal Shrewsbury Hospital and the Princess Royal Hospital in Telford. The NHS Winter Heroes were visited in the wards and departments where they work, where they were presented with their certificate.

Keep an eye on www.nhsheroes.co.uk to see when the scheme is running.



In every NHS organisation you will find fabulous people who do amazing things every day. If you know someone in our Trust who goes that extra mile and deserves recognition please let us know via our website at www.sath.nhs.uk

The Year In Profile: Against All Odds

At the heart of NHS care is our desire to change lives for the better. Gaynor Offland shares her story of life-changing staff in The Shrewsbury and Telford Hospital NHS Trust.

Gaynor Offland knew being pregnant could put her life at risk, but was determined to find a way to start her own family.

Gaynor suffers from a rare condition that causes clots to form in her body, which meant the chances of her having a successful pregnancy were extremely unlikely. Congenital Thrombotic Thrombocytopenia Purpura (TTP) only affects about 1 in 30 million people, and can lead to organ failure and even death.

Despite the odds being stacked against her, she started a course of radical treatment at the Royal Shrewsbury Hospital that helped her through her pregnancy to give birth to baby Oliver (mum and baby pictured right). This involved regular visits to the Renal Unit at the Royal Shrewsbury Hospital (RSH) where she underwent plasmapheresis, which involves removing and replacing the plasma in her blood. She was also closely monitored by the Maternity Department given the nature of her condition, and her previous problems during pregnancy.



Gaynor and baby Oliver

"If it wasn't for the staff at the hospital then Oliver wouldn't be here."



Once Gaynor reached 37 weeks a decision was made to induce her because of the increasing risks, and baby Oliver was born on 2 October 2012 weighing 6lb 15oz.

Gaynor, who lives with her partner Alan Griffiths in Telford, said they had kept in touch with staff at the hospital, who they thank for making their dreams come true.

Gaynor said: **"I was never going to give up. I was determined to have a baby no matter how difficult it was."**

"We still call in to see the staff at the hospital and went in at Christmas to take a card. If it wasn't for them Oliver wouldn't be here. It was a remarkable job they did for us and I couldn't have asked for anything more."

Staff on the Renal Unit at RSH have now renamed the two machines that were used to provide the treatment Gaynor and Oliver (pictured right).



Pictured: Gaynor and Alan bring baby Oliver to meet Dr Sreekanth Reddivari (Consultant Haematologist) and Renal Unit Sister Jo Mason

The Year In Profile: Francis Report

Following an extensive inquiry into failings at Mid Staffordshire NHS Foundation Trust, Robert Francis QC published his final report on 6 February 2013.

The Francis Report tells a story of appalling suffering of many patients within a culture of secrecy and defensiveness.

Although the public inquiry was focused on one organisation, it highlights a whole system failure. A system which should have had checks and balances in place, and working to ensure that patients were treated with dignity and suffered no harm. The 1,782 page report has 290 recommendations which cut across and have major implications for all levels of the health service across England.

In his report, Robert Francis QC calls for a whole service, patient centred focus. His detailed recommendations do not call for a reorganisation of the system, but for a re-emphasis on what is important, to ensure that this does not happen again. They are focussed on the following themes:

- Emphasis on and commitment to common values throughout the system by all within it;
- Readily accessible fundamental standards and means of compliance;
- No tolerance of non compliance and the rigorous policing of fundamental standards;
- Openness, transparency and candour in all the system's business;
- Strong leadership in nursing and other professional values;
- Strong support for leadership roles;
- A level playing field for accountability;
- Information accessible and useable by all allowing effective comparison of performance by individuals, services and organisation.

In The Shrewsbury and Telford Hospital NHS Trust we had already made good progress to act on the findings from Mid Staffordshire NHS Foundation Trust through our response to the recommendations of the previous Independent Inquiry in 2010 as well as learning from other national inquiries into failings in care such as Winterbourne View.

All providers of NHS care are entrusted with a special duty on behalf of patients and their relatives and must be relentless in taking action to strengthen the focus on the quality of care and safeguards to protect patients from harm. We strive for a focus on Putting Patients First from the ward to the Board. At Board level this includes our Quality and Safety Committee and a quality forum with Commissioners. We have also improved our process for gathering both hard and soft intelligence to ensure that concerns can be identified at the earliest stage and appropriate action taken. This forms part of our Quality Improvement Framework, which engages patients and nurses in observations of care, gathering patient feedback, audit and review to support improvement.

Whilst the Francis Report was published shortly before year end it has already provided a significant focus for reviewing and refreshing our pursuit of the highest standards of patient experience, safety and outcomes and will continue to do so in the year ahead.

Further information is available in our Quality Account at Appendix 1.



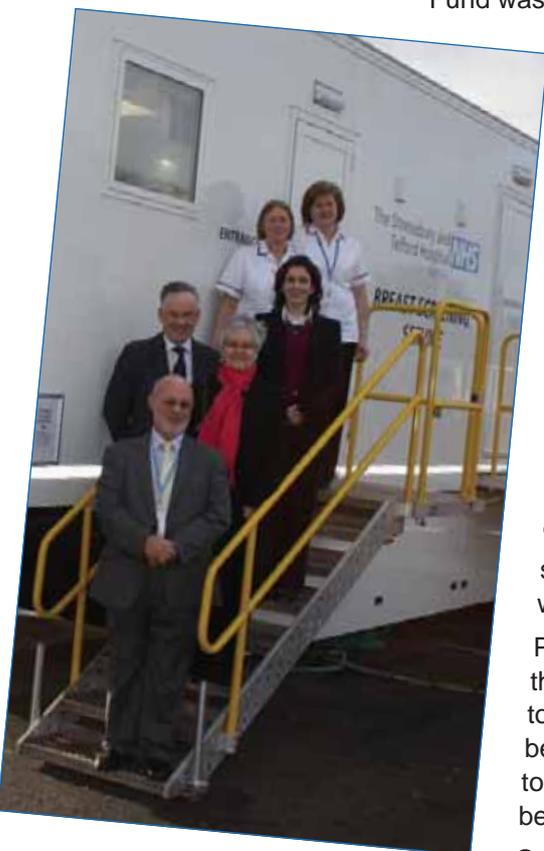
The Year In Profile: Charities

We are immensely grateful for the support of our charity partners. Their fundraising during 2012/13 has been invaluable in helping us take forward a number of key projects which are benefiting our patients and staff.

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

One of the most significant developments supported

by our charitable partners during the year has been the Lingen Davies Centre (see page 11). The Lingen Davies Cancer Fund was at the forefront of the appeal to create this wonderful new facility, and alongside their contribution there was also significant financial support from the League of Friends of the Royal Shrewsbury Hospital and our own Trust Charity.



Alan Millward, chairman of the Friends of the PRH (front), with RSH counterpart Iain Gilmour and members of the Breast



RSH League of Friends chairman Iain Gilmour receives a demonstration of the new patient monitoring equipment

The **RSH League of Friends** and the **Friends of the PRH** are a constant presence on our hospital sites, running cafes and shops which are appreciated by patients and staff alike. The profits have been ploughed back into hospital projects, and we have seen plenty of examples over the past 12 months.

Donations included more than £500,000 for hi-tech patient monitoring equipment as well as continued donations totalling a similar total for the Trust's Breast Screening service. As a direct result of the support of the two Friends groups, the Trust can now boast a fully digital breast screening service.

Dr Marie Metelko, Shropshire's Breast Screening Programme Director, said: "At both hospitals, the Friends have been exceptional supporters of the breast service. The service is as good as it is because of the hardware we have and we wouldn't have this without them."

Peter Herring, Chief Executive at the Trust, said: "We are always grateful for the support we receive from the Friends, who dedicate so much time and effort to fundraising on behalf of their local hospitals. I would like to thank them on behalf of everyone at the Trust for the fundraising they have already carried out to support our services, and look forward to hearing more about the good work being carried out in future."

One example of external donations during the year was £11,000 from the Shropshire Prostate Cancer Support Group — money which was used to fund a state-of-the-art ultrasound machine used to investigate patients with bladder, kidney or testicular problems.

The Year In Profile: A Healthier You

Delivering high quality patient care relies on staff who are healthy, well and at work. Looking after the health and wellbeing of staff directly contributes to the delivery of quality patient care. Poor workforce health has high and far reaching costs to NHS organisations and ultimately patients.

During the year a successful campaign was launched to help support the health and wellbeing of our staff. The **A Healthier You** campaign included a new health and wellbeing section on the Trust's intranet, as well as classes, road shows, health checks and courses.



Highlights of 2012/13 included:

A Healthier You Roadshows

We held two successful roadshows in November, one at the Princess Royal Hospital in Telford and another at the Royal Shrewsbury Hospital. Both featured stalls with healthy tips and advice, free gifts, a chance for staff to get their flu jab and competitions to win some great prizes. Health Trainers from Healthy Telford also carried out a number of health checks for staff.

The feedback from staff who attended the roadshows was very positive, and the Roadshows are set to become a regular feature in the Trust.

Classes

During the year staff were able to take advantage of new classes including Zumba and Tai Chi. The classes proved a big success—particularly Zumba. Shortly after year end a Mindfulness Course was also advertised for staff.

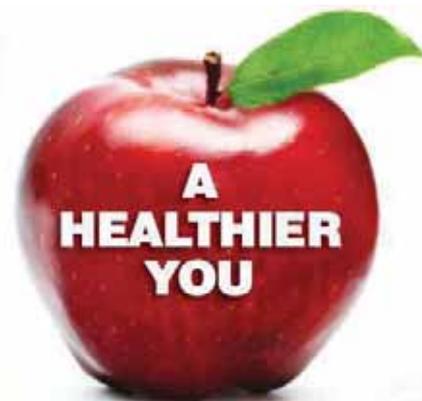
Smoking Survey

In October 2012, the Trust created an online and face-to-face questionnaire to gather feedback from staff as part of our review of our Smoking Policy. More than 150 people completed questionnaires either online or by hand and the results are being used to help shape our approach to smoking and helping people to quit. The majority of staff felt that we should aspire to be completely smokefree hospital sites in future.

A Healthier You intranet pages

We established a dedicated A Healthier You section of the intranet packed with tips, useful information, details about benefits for NHS staff, and links to other websites and groups.

Towards the end of the year a survey was launched to gather the views of staff about health and wellbeing, and to find out the specific areas they want to focus on in the future. Our priorities for 2013/14 will include building on the great efforts of 2012/13, and taking on board the views of staff to ensure future events and activities reflect their needs.



3. Introduction to the Trust

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

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



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

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

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

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

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

We employ over 5000 staff, and hundreds of staff and students from other organisations also work in our hospitals. We benefit from 800 volunteers working for the Trust and for our main charitable partners (the Friends of the Princess Royal Hospital, the Leagues of Friends of the Royal Shrewsbury Hospital and the Lingen Davies Cancer Appeal).

With a turnover in the region of £300m in 2012/13 we saw 53,217 elective & daycase spells, 49,097 non-elective inpatient spells, 6,767 maternity episodes, 343,098 consultant led outpatient appointments and 110,680 accident and emergency attendances.

Our Strategy and Priorities

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

Our vision is to ensure that the interests of our patients, and providing the best possible care to them, are at the heart of everyone we do. To support us to deliver this we have developed our strategy based on five strategic priorities:

- Quality and Safety
- Healthcare Standards
- People and Innovation
- Community and Partnership, and
- Financial Strength.

These updated strategic priorities were developed during 2012/13 through engagement with our patients, staff and partners. They will guide our strategy and decisions going *forward*, whilst the presentation of our progress and challenges in this Annual Report reflects the strategic priorities that were in place during the year.



Our Values

Underpinning our strategy is our framework of values:

- Putting Patients First
- Honesty and Integrity
- Being a clinically-led organisation
- Working and collaborating together
- Encouraging individual ability and creativity, and
- Taking pride on our work and our organisation

During 2013/14 we will work with patients, communities and staff to refresh our Trust Values, drawing on the findings and recommendations from the Mid Staffordshire NHS Foundation Trust public inquiry (the "Francis report") and the 6Cs of care, compassion, courage, commitment, competence and communication.

Our statutory basis

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

Further information

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

4. Performance

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

Our 2012/13 Strategic Plan described our longer term strategic planning framework and our priorities for the year. It reinforced that Putting Patients First is our highest priority and our organising principle that will underpin all of our developing clinical strategies and operational plans. Our strategy was developed using a “Balanced Scorecard” approach, reflecting that we need to deliver improvement and growth in four strategic domains in order to achieve success for our patients and our workforce. Our four strategic domains during 2012/13 were:

- **Quality and Safety:** Focussing on what internal processes we must excel at if we are to improve the quality and safety of our care
- **Patients, GPs and Commissioners:** Focussing on what we have to do to meet their needs.
- **Learning and Growth:** Focussing on how we prepare for the future through developing our staff, the technology we use and the innovation we create.
- **Financial Strength:** Focussing on what it will take to create the financial strength to enable us to invest in the quality of our service.

Across these four domains we identified 25 strategic themes to define and shape what we must do to deliver our strategy and achieve our vision of the future. These themes are:

Strategic Themes for the Trust	
Domain	Themes
Quality and Safety	Ensure that we learn from mistakes and embrace what works well Design care around patient needs Provide the right care, right time, right place, right professional Deliver services that offer safe, evidence-based practice Meet regulatory requirements and healthcare standards Ensure our patients suffer no avoidable harm
Patients, GPs and Commissioners	Involve patients in decisions about them Ensure our patients have a good experience that exceeds their expectations Get close to our GPs to understand what they need from us Plan to exceed GP expectations Work in partnership to understand and anticipate what commissioners want Be a fully engaged partner that our commissioners can rely on and deliver our contractual commitments
Learning and Growth	Encourage innovation and entrepreneurship Develop game changing tele-health and other technologies Devolve responsibility and accountability and cooperate with each other Develop a clinically-led organisation and build capacity and capability for the future Build a fully-engaged workforce and attract and retain the best people Become and expert integrated rural health provider Develop our teaching and research capability
Financial Strength	Develop and implement sustainable clinical strategies Develop and grow services which make a positive financial contribution Increase surpluses to reinvest in quality and innovation Maximise the productivity and efficiency of our services, eliminating waste and non-value-adding processes Use capital to drive profitability and make our estate more productive Build an information orientation and ensure that information and technology work for us

The table below provides a summary of progress against our Strategic Plan 2012/13. We recognise that we were not able to achieve all that we would have wanted to however as a Trust we are committed to progressing our plans to continuously improve the services that we provide to patients.

Examples of progress during the Year Ended 31 March 2013	
2012/13 Strategic Domain	Progress against our Strategic Themes for Quality and Safety
Quality and Safety	<p>Ensuring that our hospitals are safe is of paramount importance. The Hospital Standardised Mortality Ratio (HSMR), referenced within the Francis report, is an important measure to enable us monitor safety. The Trust remains within the expected range for HSMR based on rolling 12 month average and our year to date HSMR remains below the national index of 100. Action is ongoing to ensure that this continues under the management of the Trust Mortality Group.</p> <p>In June 2012 we implemented a specialist cardiology rota which provides 24/7 cover with on-site weekend consultant ward rounds. We have also established an acute oncology team within the Trust to ensure that cancer patients receive the best possible care when they are admitted to our hospital.</p> <p>Ensuring that our patients are seen by the most appropriate person improves both clinical outcomes and reduces the time spent in our hospitals. During the last 12 months we made considerable progress to support this including earlier senior clinical decision making into acute medical admissions (weekdays and weekends, speciality and acute physicians).</p> <p>The Trust has also strengthened relationships with, and access to, the Severn Hospice, increased consultant presence within the Trust supports patient transfers and enhances the quality of care provided to patients receiving palliative care.</p> <p>We strive to deliver excellent clinical outcomes for patients under our care. One example where we have made significant progress is treatments for patients with Hodgkin's Disease. Clinical outcomes are better than the regional average (Cancer Registry data) and also our 5 year survival rate for patients under 65 with high grade B cell non Hodgkin's lymphoma age is 76% compared to the national rate of 71%.</p> <p>The services that we provide must meet and comply with healthcare standards. In December 2011 the Trust achieved Level 1 of the NHSLA Risk Management standards, and during 2012/13 we have continued to strengthen our arrangements towards an assessment at Level 2. In February 2012 the Trust also achieved level 2 of the CNST Maternity standards, and our focus during 2012/13 has been to strengthen this further with the aim of achieving Level 3.</p> <p>The demand for cancer screening services and diagnostics is increasing as the age extensions are implemented, and also in response to high profile publicity programmes highlighting the importance of screening, early detection and treatment in improved survival. The Department of Health's Cancer Reform Strategy requires all Breast Screening Services (BSS) to extend the age range of eligible women. Screening services are currently provided for women in the age range of 50-70, this will be extended to the age of 47-73. During the last three years, with support from the League of Friends investment, the Trust has significantly improved our breast screening unit and we now consistently achieve all NHS Breast Screening Programme performance targets and become a fully digital service. This digital equipment is utilised by the whole breast service.</p> <p>We have also continued with the implementation of life-saving screening for abdominal aortic aneurysms. Delivering this screening programme locally has been made possible through the reconfiguration of acute vascular surgery services to a single site at the Royal Shrewsbury Hospital during the year.</p> <p>To improve the safety of our services our clinical teams, supported and advised by our Pharmacy Team have significantly reduced the potential harm to patients by reducing medication errors. We have redesigned and launched revised medicine charts to ensure adherence to policies and to reduce the potential for errors and we have developed a learning package to increase education and knowledge.</p> <p>Last year we made a commitment to eliminate avoidable Grade 4 pressure ulcers by December 2012 and avoidable Grade 3 pressure ulcers by March 2013. We did not achieve this.</p> <p>We achieved key standards for the reduction of healthcare associated infections and achieved a continuous period of over 350 days without a hospital acquired MRSA bloodstream infection during 2012/13 which has continued into 2013/14.</p> <p>Further information about quality priorities and performance can be found in our Quality Account at Appendix 1.</p>

Examples of progress during the Year Ended 31 March 2013	
2012/13 Strategic Domain	Progress against our Strategic Themes for Patients, GPs and Commissioners
Patients, GPs and Commissioners	<p>All patients deserve to be seen in a timely manner and should not have to endure long waits for treatment, with waiting times delivered in line with the national commitments set out in the NHS Constitution for England and national waiting time standards for Wales. During 2010/11 we identified significant problems with our booking and scheduling processes resulting in too many patients waiting too long for planned care. A review of why we failed to deliver waiting time targets highlighted the issues that we faced with regard to our booking and scheduling processes. February 2013 saw the full launch of our new Booking Centre with phone operators available for more hours of the day than ever before offering an 8am to 8pm service and a Saturday morning service. We have increased the number of operators answering calls and consolidated all our booking teams from across both hospitals into one single Centre. These changes will help patients to access our services and ensure that we optimise our capacity. We now need to build on this to make improvements in our underlying booking and scheduling processes to provide an enhanced service for our patients and GPs.</p> <p>Understanding what our GPs want and the concerns that they have ensures that we respond to local issues. The Trust has a well established GP Liaison service and during 2011/12 we have continued to maintain robust communication channels and listen to feedback from our local GPs. This feedback helped us to identify our priorities, one example being our booking and scheduling process which GPs told us was causing significant issues for both them as clinicians and for their patients.</p> <p>Ensuring that GPs have appropriate access to our services is key to ensuring that patients receive the most appropriate treatment. In some circumstances GPs may benefit from expert advice from our clinical teams which could prevent patients having to present at the hospital. Advice and Guidance provides this type of service and we are now offering this in many specialities including cardiology, dermatology and neurology. We are also progressing the service in endocrinology and aim to offer this in 2013/14.</p> <p>In addition to this we have also increased access to diagnostics, at PRH we have extended our GP Direct Access Radiology and services are now accessible for 5 days each week.</p> <p>The NHS reforms transferred commissioning responsibilities to GPs from April 2013, giving GPs greater influence on the services that they want to commission for their patients. The Trust is committed to working with our local GPs discuss and shape future service models.</p> <p>We have also been working closely with commissioners and CCG leads during the last 12 months to review and redesign clinical pathways (access to services). Headache and epilepsy pathways review are in progress and we are just about to commence the redesign of pathways within respiratory services and for patients with chronic obstructive pulmonary disease (COPD).</p> <p>Our commissioners purchase services from us on the behalf of the local community and it is important that we work closely and communicate with them to ensure that patients receive the care that they deserve in a timely manner. Through monthly meetings we review quality standards and national access targets.</p> <p>A major focus during the year has been to strengthen the range and depth of measures by which we gather and response to patient feedback. This has included implementation of pilot Friends and Family Test, improved Ward to Board feedback mechanisms to identify good practice and take action promptly in response to concerns, and continuing to develop our Patient Experience and Involvement Panel to engage patients in gathering feedback, reviewing the quality of care and identifying priorities for improvement. A significant development during the year to improve patient experience has been the new Lingen Davies Centre, funded by charitable donations, to provide a much improved environment for chemotherapy, haematology and outpatient services.</p> <p>The Department of Health announced its intentions for Audiology to be subject to a formal tender process to expand the number of providers and increase choice for patients. All audiology services in the West Midlands were invited to tender under the Any Qualified Provider (AQP) for the provision of hearing aid services for the over 55s. The Trust submitted an application to provide these services within Shropshire and Telford & Wrekin. This submission was successful and as a result we continue to offer a comprehensive audiology service from our hospitals and from local satellite clinics.</p>

Examples of progress during the Year Ended 31 March 2013	
2012/13 Strategic Domain	Progress against our Strategic Themes for Learning and Growth
Learning and Growth	<p>A key focus for Learning and Growth during the year has been to review and realign our clinical leadership and operational management focus to improve our ability to respond to the challenges of today and to respond to the opportunities of tomorrow. We have therefore worked with clinicians and managers to develop a simplified management structure based on four clinical Care Groups – Unscheduled Care, Scheduled Care, Women and Children’s, Clinical Support Services. During the year we have appointed Care Group Medical Directors for Unscheduled Care (Dr Kevin Eardley) and Scheduled Care (Mr Mark Cheetham) as well as senior managers to work alongside them (Ian Donnelly has joined the Trust from the Heart of England NHS Foundation Trust as Assistant Chief Operating Officer for Unscheduled Care and Sara Biffen has been appointed internally as Assistant Chief Operating Officer for Scheduled Care). After year end the recruitment process continued with Head of Nursing appointments for both Care Groups.</p> <p>The Health and Wellbeing of our staff is crucial to the delivery of high quality patient care and being a good employer. As a Trust we are committed to taking proactive steps to ensure our staff wellbeing is supported in a way which achieves the key objectives of staff recommending the Trust as a place both to work and receive treatment. In November 2012 we held roadshows at both of our sites providing an opportunity for our staff to obtain information on a range of topics that affect their health and well being including help to quit smoking, alcohol advice, weight management and ways to be more active. We will run further roadshows in 2013.</p> <p>Ensuring that our workforce is able to respond to the ever changing environment requires robust workforce planning. During the last 12 months we have reviewed how we deliver services and invested in new roles. Within Radiology we have extended the role of radiographers and HCAs to introduce Advanced and Assistant Practitioners. These new roles support the Breast service, CT service and general x-ray reporting. We have also developed enhanced nursing roles including nurse prescribing in Medicine and Advanced Nurse Practitioners within paediatrics.</p> <p>Delivering services that meet the needs of our aging population requires a focus on understanding their specific needs and how best to meet those needs. Historically care has always been provided in a central acute hospital resulting in patients having to travel for care and being admitted to hospital beds. Future integrated service models will bring together healthcare professionals in both the acute sector and the community sector to provide expert care in the most appropriate setting.</p> <p>During 2012/13, in partnership with the community services and social services teams, we have introduced an integrated Frail Complex Service. The multidisciplinary team consists of geriatricians, occupational therapists, social workers, physiotherapists, community in-reach nurses and members of the DAART Team. This Team identifies frail patients, or those complex conditions, and provides early assessment and interventions to help to either prevent admissions or to reduce the time spent in hospital when an admission is unavoidable.</p> <p>Developing our teaching capacity and development programmes helps us to train staff to enable them to gain the skills that they need to deliver services and within the Trust we actively seek to progress these initiatives. Within pharmacy services we have appointed trainee pharmacists and we have also developed a comprehensive management and education training model/e-learning package.</p> <p>The Trust is part of the West Midlands North Comprehensive Local Research Network (CLRN). Our Research and Development Department supports a range of research projects each year to increase the number of patients participating in clinical trials, improve the speed, quality and integration of research and to provide equity of access to high quality research. In 2012/13 the Trust recruited more than 1,200 patients into 68 national portfolio studies across 12 specialties. A further 28 patients were recruited into National Research Ethics Committee (REC) approved local studies.</p> <p>Further information about our staff can be found in Section 5.</p>

Examples of progress during the Year Ended 31 March 2013	
2012/13 Strategic Domain	Progress against our Strategic Themes for Financial Strength
Financial Strength	<p>During 2011/12 we developed an Outline Business Case presenting options for the reconfiguration of our Women and Children's and acute surgical services. In 2012/13 we presented and received approval for our Full Business Case and appointed Balfour Beatty to build the new facilities. Work commenced last year on the new facilities and we expect the unit to be opened during the summer of 2014.</p> <p>As the main provider of healthcare services within the county we need to ensure that all of our services are sustainable and we have begun to develop our new clinical services strategy to achieve this. Significant work has taken place during the last 12 months with regard to the optimal configuration of services.</p> <p>Historically the Trust has experienced financial difficulties requiring continued levels of financial support. At the end of the financial year 2012/13 the Trust delivered a small financial surplus. A significant amount of work has been undertaken both internally and with the wider health economy to ensure that we are able to deliver our services within the funding available. The financial challenge within the NHS is driving the need for efficiencies and commissioners are seeking efficiency improvements. During the last 12 months we have focused on eliminating waste and adding value to the discharge process for patients who have been deemed medical fit being discharged. We have introduced our Patient Status at A Glance (PSAG) system to facilitate effective use of our teams involved in discharge and patient flow through our hospitals such as the integrated case manager and or clinical site managers. These improvements generate efficiencies whilst at the same time improving care for our patients.</p> <p>The nature of our business means that we use lots of energy and water and produce significant quantities of waste. We have made progress to reduce some of these; having already invested in a new electrical generation plant, boilers, heating controls and lighting. Measures have been taken to change the way in which we dispose of clinical waste and there are a small number of recycling schemes for certain other wastes such as glass and paper.</p> <p>There is always a significant demand for capital investment to improve facilities. During 2012/13 we invested £331k on the continuing Patient Monitoring Replacement Scheme, £330k final phase of Digital Mammography Replacement Programme, £563k on enabling works for replacement Linear Accelerator and considerable work towards our Future Configuration of Hospital Services programme.</p> <p>During 2012/13 we introduced a new Radiology Information System (CRIS) and Picture Archiving and Communication System (PACS). This enabled the department to develop a partial booking service for ultrasound and general x-rays and voice recognition which has improved the reporting time for examinations. The new systems have provided the capability of cross site working both in the appointments department and with Radiology Reporting.</p> <p>As part of our journey towards NHS Foundation Trust status we have reviewed and expanded our public constituency and increased our overall public membership with a particular focus on areas that have been under-represented in our membership. We are currently reviewing our timetable for achieving NHS Foundation Trust (FT) status with the new NHS Trust Development Authority and remain fully committed to becoming a stand-alone FT.</p> <p>Further information about Financial Strength can be found in Section 6.</p>

Looking ahead to 2013/14

We have reviewed and refreshed our strategy and priorities for the year ahead, reflecting our achievements and challenges during the year and feedback from patients, communities, staff and partners.

Looking ahead, Putting Patients First remains our central organising principle and is at the heart of our strategy. Our vision is to ensure that the interests of our patients and providing the best possible care for them is at the heart of everything we do.

Our Operating Plan for 2013/14 builds on our plans from last year and describes our vision and strategy for the future. We have developed our strategy around five Strategic Priorities; Quality and Safety, delivering Healthcare Standards, striving for excellence through People and Innovation, working in Partnership and improving our Financial Strength. These are further described below;

- **Quality and Safety: Providing the best clinical outcomes, patient safety and patient experience**
Our patients deserve the best clinical outcomes and highest quality care in a safe, friendly environment where their dignity is fully respected. We need to provide our patients with the best possible experience, particularly when they are at their most anxious or vulnerable. We will listen to our patients—our customers—and learn from our mistakes, reduce the incidence of harm, and continuously make improvements in the experience and the standards of care we offer them. We will work together with patients and commissioners to ensure that clinical services are safe and sustainable for the future.
- **Healthcare Standards: Delivering consistently high performance in healthcare standards**
Our patients rightly expect accessible services in the right place at the right time from the right professional. This means that we will be streamlined and efficient, exceeding the minimum standards of access and performance set by our commissioners and regulators on behalf of the patients and communities we serve.
- **People and Innovation: Striving for excellence through people and innovation**
As an organisation we must be ready for the challenges and opportunities ahead. We will apply best clinical practice, learn from the very best expertise, introduce life-changing innovation, contribute to training, education and research and development in clinical practice to continuously raise the bar in the quality and delivery of services. We will achieve this by supporting and developing a well-led, engaged and motivated workforce.
- **Community and Partnership: Improving the health and wellbeing of our community through partnership**
We will play our part in preventing ill health and improving the health and wellbeing of the community, working in partnership with patients, commissioners and other health and care providers to create more seamless, streamlined pathways of care, and where appropriate to develop and deliver more local services closer to the patient's home.
- **Financial Strength: Building a sustainable future**
Our plans for the future must be built on firm foundations. We will build a financially strong organisation that can invest in future services and infrastructure whilst contributing to the overall plans for a clinically and financially sustainable health community. This will enable us to be a highly efficient, streamlined, productive NHS Foundation Trust that will consistently deliver its promises to our communities.

In order to deliver and improve our services against these five themes we have identified Operational Objectives that describe our focus for the next 12 months. These objectives have shaped the business

plans for our clinical services and are reflected throughout the organisation from Board level to individual personal development plans. Embedding these objectives will ensure that we all strive towards the same goals to improve care for our patients and their carers.

Our Strategic Priorities and Operational Objectives for 2013/14 are as follows:

Trust Strategy 2013/14	
Strategic Priority	Operational Objectives
Quality and Safety	QS1 Reduce avoidable deaths QS2 Improve the nutritional status of patients and hydration and fluid management QS3 Enhance communication and information for all patients and their carers QS4 Eradicate all avoidable grade 3 and 4 pressure ulcers QS5 Reduce the number of RIDDOR reportable falls QS6 Develop plans to extend 7 day working QS7 Achieve all CQUIN targets and PROMs to improve safety and patient experience QS8 Develop a long-term clinical services site strategy and wider health strategy for the optimal configuration of acute, community and primary care services QS9 Focus on improving clinical outcomes particularly for stroke and fractured neck of femur
Healthcare Standards	HS1 Ensure bed capacity meets demand supported through wider health partnership solutions HS2 Improving the timely flow of patients from admission to discharge HS3 Deliver all key performance targets HS4 Embed and enhance new booking and scheduling arrangements
People and Innovation	PI1 Implement a Staff Engagement Framework that's improves employment experience and reduces absence to less than 4% PI2 Embed Employment Basics contract, pay and policy PI3 Increase workforce flexibility through new roles and working practices PI4 Build leadership and management capability PI5 Deliver benefits for patients from Academic Health Sciences Network, High Impact Interventions and Research and Development
Community and Partnership	CP1 Develop an integrated service strategy in conjunction with all health and social care partners CP2 Embed the Frail and Complex service CP3 Deliver the benefits for patients through the implementation of RAID service (Rapid Assessment Integrated Discharge) and dementia practice CP4 Progress Telehealth initiatives in line with commissioners' strategies CP5 Deliver priority health and wellbeing initiatives CP6 Achieve sustained improvement in trust, confidence, reputation, customer service and public/community engagement
Financial Strength	FS1 Deliver our milestones to achieve FT status FS2 Deliver our milestones within the Women and Children's services reconfiguration plan FS3 Deliver a financial surplus of £1.2m FS4 Deliver Trust 5% implied efficiency target and support delivery of joint QIPP FS5 Develop an investment strategy to secure funds to modernise the Trust estates and infrastructure FS6 Address liquidity issues FS7 Produce a strategy for integrated clinical and patient information systems and associated IT FS8 Complete Pathology reconfiguration and Central Sterile Services Department (CSSD) tender exercise FS9 Develop environmental and sustainability through Good Corporate Citizen progress

Summary of DH Performance Framework in the Year Ended 31 March 2013

The NHS Performance Framework 2012/13 for acute trusts set out the key priorities for NHS organisations. At the end of year the Trust performed well against all domains of the Framework with the exception of 18 week referral to treatment times and A&E four hour wait. A summary of performance against the Framework is provided below.

Summary of Performance in Year Ended 31 March 2013					
Domain	Indicator	Numerator / Denominator	Data Source	Thresholds	Performance in Year Ended 31 March 2013
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% Under-performing: 94%	90.62%
Infection Prevention and Control	MRSA	Actual number of MRSA vs. planned trajectory for MRSA	HPA returns	Performing: No more than 2 MRSA; No more than 45 Cdiff Under-performing: greater than 1 standard deviation	1 case
	C.diff	Actual number of C diff vs. planned trajectory for C diff			45 cases
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%	78.00%
	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%	95.09%
	RTT – incomplete pathways	Total number of patients on incomplete pathways less than 18 weeks vs. total number on incomplete pathways		Performing: 92%	86.57%
	RTT – all specialties	Total number of treatment functions where standards are not delivered		Performing: 0 Underperforming: >20	14
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: 93% Under-performing: 88%	99.79%
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%	96.00%
	2 week GP referral to 1st outpatient - breast symptoms			Performing: 93% Underperforming: 88%	95.73%
	31 day second or subsequent treatment - surgery			Performing:94% Underperforming: 89%	94.79%
	31 day second or subsequent treatment - drug			Performing:98% Underperforming: 93%	99.02%

Cancer Waiting Times (continued)	31 day second or subsequent treatment – radiotherapy	Please see cancer waiting times guidance for definitions of these performance standards	Cancer Waiting Times Database	Performing: 94% Underperforming: 89%	97.99%
	31 day diagnosis to treatment for all cancers			Performing: 96% Underperforming: 91%	97.50%
	62 day referral to treatment from screening			Performing: 90% Underperforming: 85%	92.15%
	62 day referral to treatment from hospital specialist			Performing: 85% Underperforming: 80%	94.70%
	62 days urgent GP referral to treatment of all cancers			Performing: 85% Underperforming: 80%	85.13%
Stroke Services	Patients that have spent more than 90% of their stay in hospital on a stroke unit	Number of patients who spend at least 90% of their time on a stroke unit vs. Number of people who were admitted to hospital following a stroke	Stroke Audits	Performing: 80% Underperforming: 60%	88.30%
Quality of Care	Delayed transfers of care	Average number of acute and non-acute adults per day whose transfer of care was delayed.	National returns	Performing: 3.5% Underperforming: 5%	2.75%
	Mixed sex accommodation breach rate	The number of MSA breaches	Collection via UNIFY	Performing: 0	0
	VTE Risk Assessment	Number of adult inpatient admissions reported as having had a VTE risk assessment on admission	UNIFY mandatory returns	Performing: 90% Underperforming: 80%	90.44%

In 2012/13, the Trust did not achieve the A&E four hour target in any quarter. Factors contributing to non-achievement include:

- a small increase in the number of ED attendances
- a 5.67% increase in the number of non-elective admissions
- a significant cohort of patients who were fit to transfer out of hospital but remained in a hospital bed
- a lack of available capacity (beds) to meet expected demand

Achieving this target in 2013/14 is a priority for the local health community and actions to deliver this have already been agreed.

Following a challenging year in 2011/12, the Trust made significant progress in reducing referral to treatment times for scheduled care. With the exception of Ophthalmology and Trauma and Orthopaedics (T&O) which have had significant challenges all year, most specialties had been delivering the admitted RTT target of 90% within 18 weeks during the first 9 months of the year. However, during the winter months we experienced high demands for emergency care which resulted in over 700 routine elective operations being cancelled. As a result we did not achieve our targets for 18 week referral to treatment for admitted care or for incomplete pathways. Recovery plans have been

established which will see the Trust delivering 18 Week RTT standards from July 2013, with the exception of orthopaedics where this will be delivered later in the year.

The Trust achieved the Cancer standards in 2012/13, which was an improvement on the previous year. Whilst the full year 62 day standard was met, this was not met consistently in every month and sustained delivery remains a challenge. Work is under way to achieve and maintain improved performance.

Overview of Quality Performance in the year ended 31 March 2013

The Trust has developed robust arrangements to govern Quality within the organisation. This section outlines a brief overview of those governance arrangements whilst a detailed Quality Account which provides a detailed account of quality performance for 2012/13 across a range of quality priorities is set out in Appendix 1.

The Trust has a well established Committee structure to support the Trust Board with its required governance arrangements. The Committee structure has been reviewed during 2012/13 and terms of reference and membership reviewed to ensure that all committee's continue to meet the Board requirements.

The Quality and Safety Committee continues to meet monthly and has undertaken a range of reviews to gain assurance on all measures of Quality. The Committee has reviewed and updated the baseline Quality Governance Framework which was first developed in March 2012. An initial review and validation took place in the summer of 2012 with the Quality and Safety Committee reviewing the outcomes of that validation process in December 2012. The updated Quality Governance Framework was then presented to the Trust Board in January 2013 and a subsequent validation process undertaken again by Non executive and Executive Directors in February 2013. This process of updating and validation has ensured that the whole Board are aware of the evidence to support the key governance questions posed to the Board on Quality. This process of updating and validation will continue in 2013/14. An action plan for ongoing improvements in this governance process will be developed in 13/14.

In March 2012 a Quality Improvement Strategy was approved by the Board. This was a five year Strategy. The Clinical centres and multi- disciplinary groups had been involved in the consultation of the Strategy and the development of the key Clinical priorities. In 2012/13, the Strategy was disseminated across the organisation and Clinical Centres were asked to develop centre specific "Quality Development Plans" to demonstrate how they would implement the quality priorities from the Strategy for their centre, as well as their local quality priorities. This provided a process whereby there was clinical centre ownership of the Quality objectives in the first year of the Strategy.

One key quality governance measure advocated nationally following the first Francis report is the Quality Impact Assessment (QIA) process. This process enables any Board to be cited on any Cost Improvement scheme or service change which may impact on the Quality and Safety of patient care. This organisation provided workshops for staff to create awareness of how to use this tool in late 2011/12. In 2012/13, each Clinical centre was asked to submit a QIA for any cost improvement programme during 2012/13 and the project management office (PMO) was tasked with coordinating the completion prior to Nurse and Medical Director sign off. Early examples in 2012/13 of signed QIAs were the Women and Children's Reconfiguration full business case QIA and the surgical reconfiguration QIA both of which were signed off by the Nurse and Medical Director. The Quality and Safety Committee reviewed the range of QIAs undertaken in 2012/13 in October 2012 and the QIA process has been refined in year to ensure a more prospective process in line with the Cost

Improvement programme. This process was agreed by the Board in January 2013 and this will be closely monitored by the Quality and Safety Committee going forward into 2013/14.

Within the Quality Governance arrangements the key operational/ clinical Committee's have provided information to the Quality and Safety Committee. Within 2012/13, the Committee formally reviewed the clinical governance arrangements within the Clinical centres in order to be satisfied that the new structure had robust arrangements in place. A Centre performance monthly meeting provided an ability to follow up Quality performance issues particularly the action plans following serious incidents and the performance on key clinical indicators such as eradication of pressure ulcers and reduction of falls. The Committee has reviewed the information presented in 2012/13 and the Committee's ability to gain assurance and agreed a revised Committee structure with the Board. As a result of the review a Clinical Governance Executive Committee was formed in January 2013 which will review many of the Quality reports and issues arising from reviews in order that the Quality and Safety Committee could gain evidence and assurance from higher level reports and advice the Board on any key issues relating to Quality and Safety.

The Quality and Safety Committee has overseen the development of a number of systems and processes to review care delivery at ward and Department level which has provided a number of soft and hard intelligence to be gathered on wards and Departments delivering care. During 2012/13 this has enabled a Quality Improvement Framework to be developed for any ward where a number of indicators gave concern relating to care delivery. In 2012/13 three ward areas have been placed under this framework and additional Quality reviews and ward visits have been undertaken by a combined team of Commissioners, Educational colleagues, Patient representatives and senior nurses to provide assurance on the level of care delivery. The Quality and Safety Committee continue to visit clinical areas prior to each Committee to ensure a regular opportunity to talk to staff and patients and review documentation standards.

The Care Quality Commission have undertaken some Inspections on both the RSH and PRH sites. In May 2012, the CQC visit resulted in the moderate concern placed on PRH in 2011/12 to be removed and positive assurance to be gained. A follow up report to a previous Inspection was provided for CQC by the Trust which resulted in a previous minor concern placed on the RSH site in 2011 being removed in 2012. The CQC reports are published on the CQC web site and have been reported to the Quality and Safety Committee and the Trust Board.

A significant programme of work has been developed with the Patient Experience and Involvement Panel (PEIP). The group of patient and carer reps have been provided with training and required checks so that they can be proactively engaging with patients and their carers in wards and Depts. The PEIP members have been involved in Observing care delivery, gaining real time patient feedback and involved in the Quality Improvement frameworks placed on a number of wards. A significant aspect of the work programme was with the booking and scheduling redesign within Outpatients, with a range of improvements as a result of the patient involvement, this is outlined in more detail in the Quality Report (Appendix 1).

The Trust has worked closely with Commissioning colleagues, patient representatives and Education colleagues to continue the open and transparent approach to reviewing care delivery. Their involvement in reviewing care and providing objective feedback has supported the Trust in its Quality governance arrangements. The Quality priorities established for 2012/13 in last years Quality account are evaluated and reviewed in detail in the Quality account set out in Appendix 1 and the Quality priorities for 2013/14 discussed with external and internal stakeholders are again set out in more detail in Appendix 1.

Summary of Service Activity in the year ended 31 March 2013

During 2012/13 we saw:

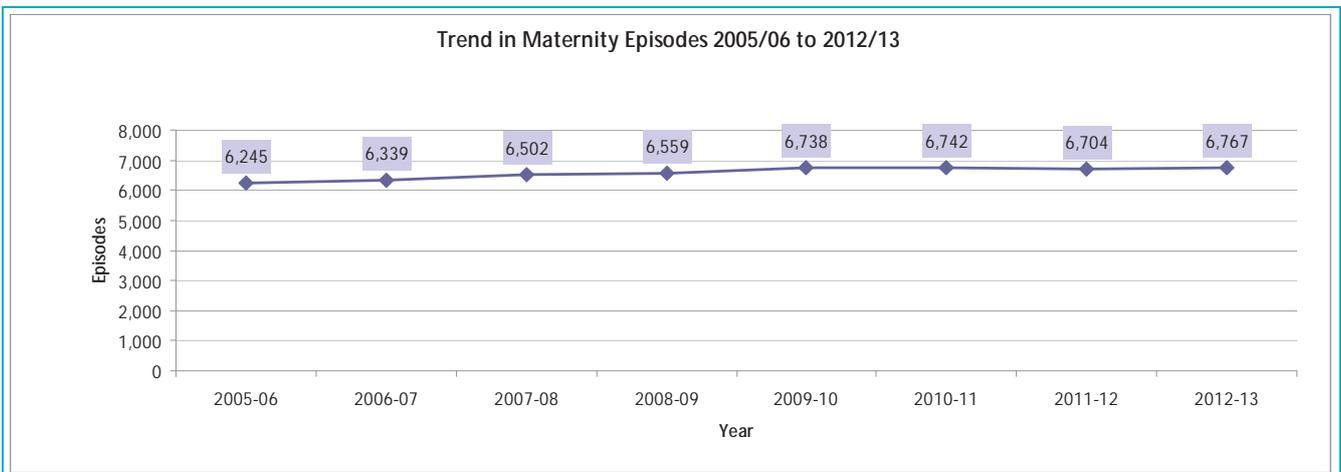
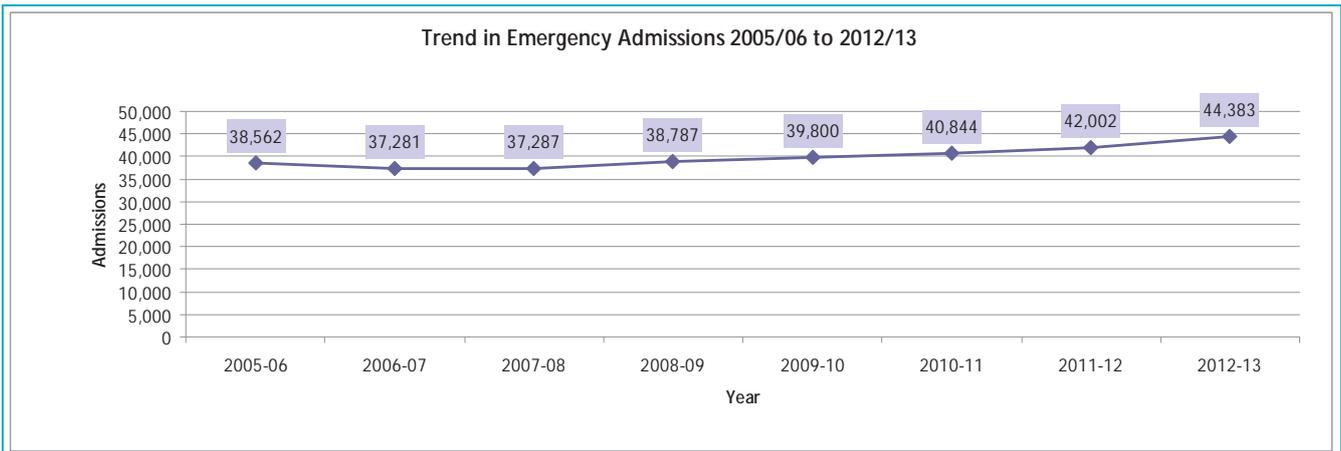
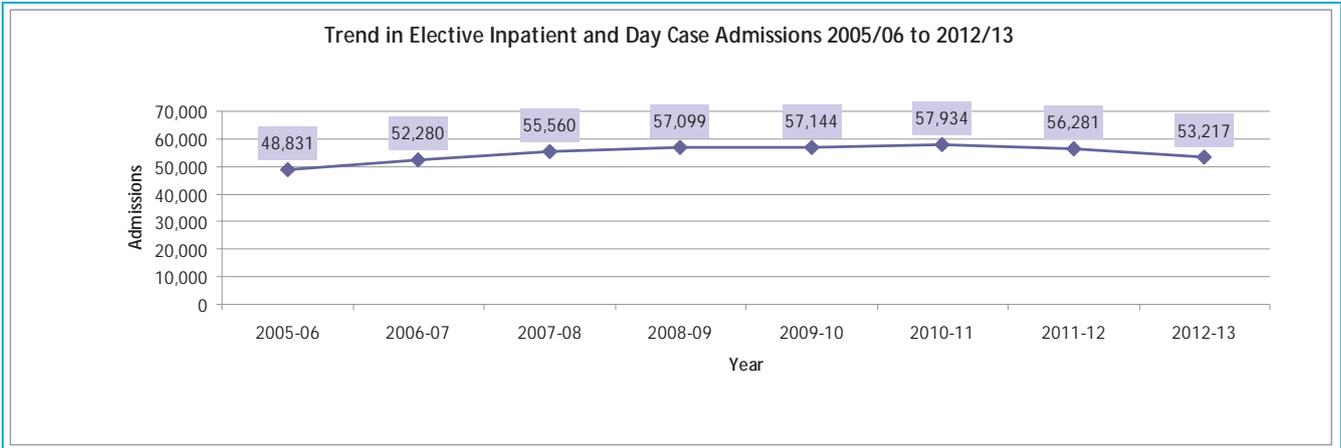
- 53,217 elective & daycase spells (5.44% decrease)
- 44,383 non-elective inpatient spells (5.67% increase)
- 6,767 maternity spells (0.94% increase)
- 343,098 consultant led outpatient appointments (1.02% decrease)
- 110,680 accident and emergency attendances (0.23% increase)

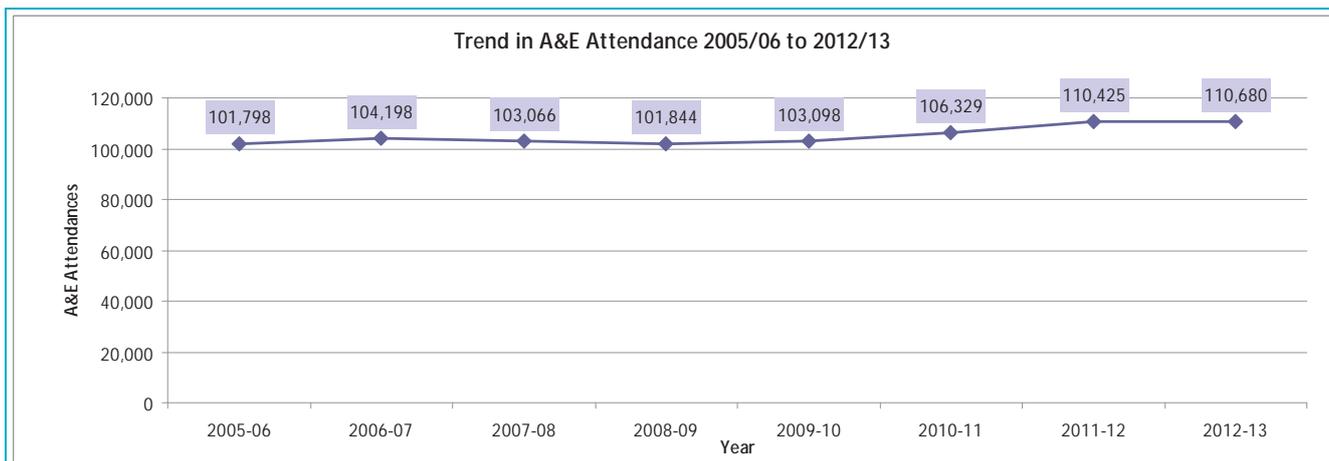
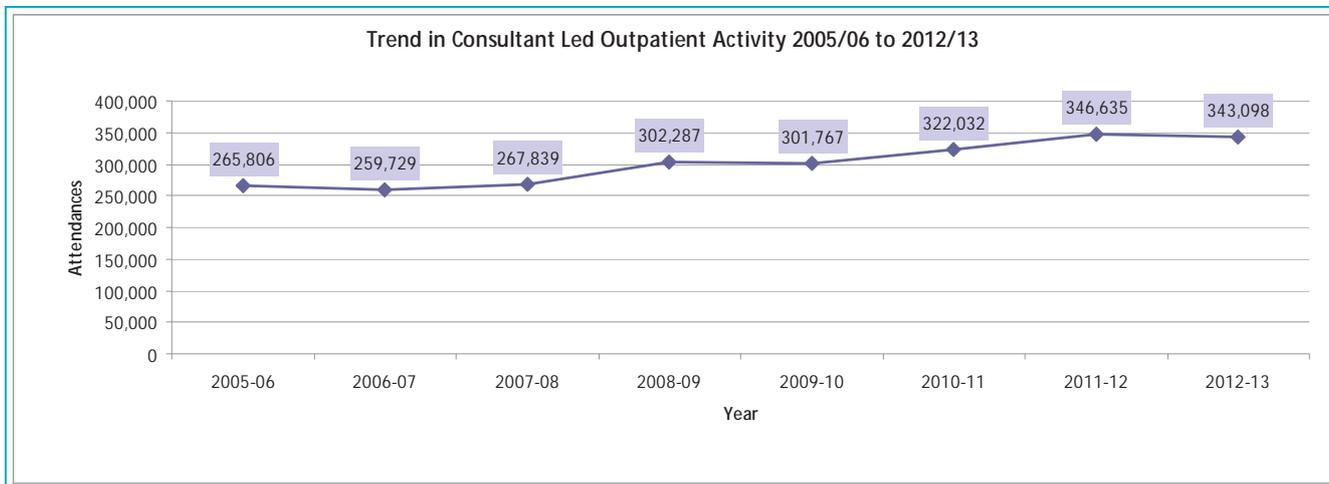
Consultant-Led Patient Activity by Speciality					
Centre	Speciality	Inpatient/Daycase		Outpatient	
		2011/12	2012/13	2011/12	2012/13
ECC:	A&E Outpatient	18	28	3,520	3,391
H&N:	ENT	3,358	2,604	19,593	19,608
	Oral and Maxillofacial	2,063	1,318	11,012	10,148
	Orthodontics	0	0	10,137	8,483
	Audiological Medicine	0	0	2,638	2,636
Med:	Cardiology	2,135	2,094	13,015	12,876
	Dermatology	35	8	14,536	13,504
	General Medicine*	22,307	23,635	29,878	30,086
	Neurology	313	326	8,414	7,975
MSK:	Trauma and Orthopaedics	7,240	6,482	53,294	50,438
	Pain Management	1,061	1,045	3,209	3,104
	Rheumatology	0	0	1,167	865
Onc:	Oncology	8,725	8,907	12,424	15,152
	Haematology	5,499	5,902	9,862	9,630
Oph:	Ophthalmology	4,047	3,213	47,936	49,105
Surg:	Anaesthetics	0	0	272	290
	Gastroenterology	14,760	14,780	9,882	8,634
	General Surgery**	11,497	10,681	31,619	33,352
	Neurosurgery	0	0	175	166
	Urology	4,457	4,224	14,662	13,714
W&C:	Gynaecology	3,998	4,212	19,129	19,005
	Obstetrics / Maternity	6,746	6,647	12,096	12,076
	Paediatrics	6,750	8,261	17,494	18,157
	Psychotherapy	0	0	32	76
Diag:	Chemical Pathology	0	0	639	627
Total		105,009	104,367	346,635	343,098

*Includes General Medicine, Renal Medicine (Nephrology), Diabetic Medicine, Endocrinology, Geriatric Medicine

** Includes General Surgery, Vascular Surgery, Upper GI Surgery, Colorectal Surgery, Breast Surgery

The graphs below show trends in activity from 2005/06 to 2012/13





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

Emergency Preparedness

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

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

During 2012/13 there have been a number of key changes to legislation, policy, guidance and context for NHS Emergency Preparedness, Resilience & Response. These include:

- New legislative requirements pursuant to the Civil Contingencies Act 2004 (Contingency Planning) (Amendment) Regulations 2012.
- Delivery of the 2012/13 elements of the Civil Contingencies Enhancement Programme.

- The requirement set out in the Health and Social Care Act 2012 for NHS Trusts to identify an accountable Emergency Officer.
- Publication of new national NHS Core Standards for Emergency Preparedness, Resilience & Response (NHS England, March 2013) which set out over 100 standards for Acute Trusts.
- Changes in NHS structure including the establishment of NHS England (including regional and area teams) and Clinical Commissioning Groups and the dissolution of Primary Care Trusts and Strategic Health Authorities.
- The transition of roles and responsibilities from the Health Protection Agency to the new Public Health England.

The Shrewsbury and Telford Hospital NHS Trust's EPRR work programme supports us to embrace and embed EPRR requirements within our policies and practice. Key developments during the year include:

- **Identification of accountable Emergency Officer:** Chief Operating Officer Debbie Kadum is the accountable Emergency Officer for the Trust.
- **Business Continuing Planning Policy and Strategy:** NHS Core Standards for Emergency Preparedness, Resilience & Response (EPRR) require that the Trust has a Board-approved Business Continuity Planning Policy and Strategy. The Trust's Business Continuity Planning Policy and Strategy has been developed to assist in the management of disruptive challenges and emergencies by providing an organisational framework that will increase NHS resilience. This builds on the work carried out to meet the legal requirements placed on the Trust in the Civil Contingencies Act 2004 and Regulations 2005 and 2012. The Business Continuity Planning Policy and Strategy was approved by the Trust in December 2011 and continues to be updated and revised to reflect the latest policy, practice, NHS structure and accountability arrangements. The updated Business Continuing Planning Policy and Strategy is available on request. A key priority for the current year is to ensure that service-level plans are consistent with latest guidance and standards, and that our framework for accountability, testing and improvement is sufficiently robust to support maintenance of service delivery under sustained pressure.
- **Exercise and Training:** A key element of business continuity planning is regular exercises and testing. During 2012/13 the Trust has met its legal requirements for exercise and testing under the Civil Contingencies Act with a multi-agency live exercise in August 2012 and three communications tests.
- **Quality Standards:** The Trust is committed to compliance with the British Standard NHS 25999/ ISO 22301 at the earliest opportunity and the use of the Publicly Available Specification (PAS) 2015: 2010. This is designed to bring together the different stands of resilience planning within the NHS to create a framework that supports the organisation's efforts to become more resilient.
- **Developing new working relationships:** The Trust is working with the Shropshire and Staffordshire Area Team of NHS England and other responders within the local community to ensure continuity of robust EPRR.

Information Governance

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

The Trust takes its responsibilities for protecting patient information seriously, and we expect high standards of information governance from our staff. The tables below identify the incidents relating to person identifiable information which were reported in the Trust in 2012/13.

Summary of significant incidents involving person identifiable data reported to the Information Commissioner in 2011/12

Item	Date	Nature of Incident	Nature of Data Involved	Number of people potentially affected	Notification Steps
1	February 2012	Unauthorised disclosure of patient demographics to another patient.	Infertility Data	Two	Individuals notified at interview and by post.

Notes to table: This table sets out significant incidents relating to personal data reported to the Information Commissioner in 2012/13, in accordance with guidance from the Department of Health (Gateway 9912). The Shrewsbury and Telford Hospital NHS Trust will continue to monitor and assess its information risks, in light of the events noted above, in order to identify and address any weaknesses and ensure continuous improvement of its systems and processes.

Summary of other incidents involving person identifiable data in 2012/13

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	4
IV	Unauthorised disclosure	28
V	Other	49

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

Sustainability

The NHS aims to reduce its carbon footprint by 10% between 2009 and 2015. Reducing the amount of energy used in our organisation contributes to this goal. There is also a financial benefit which comes from reducing our energy bill. Key headlines for 2012/13 include:

- We achieved a 9% reduction in energy costs from 2011/12 to 2012/13.
- We expect to save £287,000 though reduced carbon emissions over the next 10 years.
- We recycle 29% of our waste. Whilst this is a “green” rated performance when compared with NHS benchmarks we recognise that there is room for improvement.
- Our energy consumption is increasing. Our total energy consumption has risen during the year, from 71,823 to 75,975 MWh. This year was however approximately 36% colder than last year.
- Our relative energy consumption has changed during the year, from 0.65 to 0.69 MWh/square metre.
- Our measured greenhouse gas emissions have increased by 2,008 tonnes this year. This is primarily as a result of reduced on-site electric generation and a colder winter.
- Our water consumption has reduced.

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

Complaints and Principles of Remedy

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

The Trust has continued to take steps to incorporate the “Principles of Remedy” into its complaint handling. The Complaints Policy is presently under review in order to reflect changes in practice and process that we have introduced based on feedback from our patients and from our clinical services. This includes a greater emphasis on our clinical services undertaking investigations and providing learning outcomes, with our Patient Services team providing a central point of contact and co-ordination, to assess and handle each case individually, and provide quality assurance with the support of the Corporate Nursing team. There has also been progress in respect of inter-agency cooperation being formalised in a joint working agreement for Shropshire and Staffordshire Health and Adult Social Care services. This aims to provide a single and straightforward approach to handling complaints that cross service boundaries to facilitate resolution of concerns in a single response, whenever possible.

Complaint handling summary of activity for 2012/13

In 2012/123, 673 formal complaints were received and of those 89.8% received a response within 6 months.

3.8% of cases handled were referred to the Parliamentary and Health Service Ombudsman. Whilst a number remain under consideration, none have been accepted for formal investigation at the second stage of the complaints process. The majority were referred back to the Trust for local resolution (for example, because the complainant had referred them to the Ombudsman before the local complaints process had concluded) or for further work at a local level. A number of cases were deemed for no further action.

Further information about complaints handling and enquiries to the Trust's Patient Advice and Liaison Service can be found in the Quality Account 2012/13 at Appendix 1.

5. Strategic Context

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

Local Context

Over 99% of our services are provided to patients from Shropshire, Telford & Wrekin and northern and eastern areas in Powys. We are the main provider of acute hospital services for these communities. Whilst this puts us in a strong market position, key factors affecting our plans and priorities will include:

- Financial challenges facing local commissioners seeking efficiency savings and transfer of services from hospital to community settings
- Impact of patient choice
- Changing market context including testing the market through Any Willing Provider
- Impact on local commissioning arrangements of the transition from PCTs to Clinical Commissioning Groups
- Reflecting local demographics in our plans and priorities – such as ageing population, increasing prevalence of long term conditions, rural access
- The need for continued action by health and social care partners to reduce delayed transfers of care, which create unnecessary delays for patients and mean that acute hospital beds are not available for other patients.

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

Political Context

There is a continuing focus on quality and safety of health care, with quality measures increasingly reflected in NHS contracting. The

publication of the Francis Report which highlighted areas of concern has further increased 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 also 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, and the trend towards commissioning services "in Wales for Wales" has continued with a consequent impact on Welsh income and activity. During the year the Trust has taken a lead role in supporting cross-border healthcare including hosting two conference events with NHS and patient representatives from England and Wales to support the review and refresh of the cross-border healthcare protocol between the Department of Health and the Welsh Government.

Economic Context

Overall the NHS needs to make efficiency savings of £20bn over five years, and the impact of this on the Shropshire and Telford & Wrekin Health Community will be in the region of £200m. To deliver savings of this magnitude requires health economy wide service transformation and the Trust has been working with both commissioners and local care providers to assess options. The Trust has delivered a significant saving during the last 12 months; however this requirement to improve efficiency is ongoing.

The NHS across the country is seeing challenges in meeting the demand for services during a time when the country is facing significant economic challenges. In this context, 2012/13 has been a challenging year for the Trust as we strive for the highest standards of service for our patients whilst facing increasing costs of both staff and supplies. It is essential that we identify plans that enable us to deliver the services that our local population require whilst at the same time delivering our statutory financial duties.

Social Context

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

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

Technological Context

Technological advances continue to improve the quality and level of services that the NHS can provide. Enhanced treatments usually result in an increased cost so it is vital that we at the same time maximise any opportunities to deliver savings through technology. Developments within telemedicine provide care that is closer to the patients and reduce the number of visits or the length of stay for

patients which can, in some circumstances, generate wider health economy savings.

The demand for information and the electronic transfer of information is growing. Ensuring that we have both the systems and the infrastructure to meet these demands is essential. We have a duty of care to provide clinical information to enable the delivery of care and also to provide information to patients and carers to support them whilst receiving care.

Legislative Context

The changing structure within the NHS will have significant impact on how services are commissioned, and from April 2013 commissioning decisions will be led by GPs. Our two main local commissioners, Shropshire County PCT and NHS Telford and Wrekin have formed two Clinical Commissioning Groups (CCGs) to take over these responsibilities, and during the last 12 months these CCGs have been running in shadow form in preparation for establishment from 1 April 2013.

The requirement for all Trusts to become independent legal entities as NHS Foundation Trusts remains high on the government agenda. The Trust's original deadline for application has been reviewed and we are working with the Trust Development Authority to agree a revised timetable. The Trust is committed to becoming a Foundation Trust (FT) in order to ensure that we benefit from the opportunities associated with FT status.

Environmental Context

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

of our efforts to improve our environmental performance.

The NHS Carbon Reduction Strategy requires all Trusts to reduce their carbon footprint. The government target expects a reduction of 10% by 2015 against our position in 2007. To achieve this reduction we will focus on reducing the use of natural resources that we use, including energy and water, and reducing

emissions through efficiency measures and recycling. Our sustainable procurement policy also ensures that when purchasing goods and supplies we consider not only the need for them but also what the products are made of and where they come from. Sourcing goods locally reduces carbon emissions but also supports our local communities.

6. Finance and Risk Review

Finance Directors Report for the year ended 31 March 2013

Financial Overview

The Trust's turnover in 2012/13 was £309.4 million and made a small surplus of £81,000.

The Trust was able to achieve the surplus position as a consequence of delivering efficiency savings in year amounting to £13.4 million and through the receipt of transitional funding support amounting to £4.96 million. The Trust takes forward a recurrent deficit of £3 million into the 2013/14 financial year.

Expenditure

From our total budget:

- 67% (£202.5m) was spent on staff who provide health care (e.g. doctors, nurses, midwives, therapists, healthcare assistants, radiographers) or who provide essential support services (e.g. portering, catering, cleaning, technical and scientific staff, HR, payroll).
- 17% (£51.7m) was spent on drugs, dressings and other costs directly related to providing health care.
- 10% (£28.8m) was spent on essential supplies (e.g. uniforms, linen, food and transport), accommodation (e.g. electricity, gas, water, rates, furniture) and administrative & support services (e.g. postage, telephones, training).

The remainder (6%) covered other essential costs such as finance charges in the form of depreciation charges and dividend charges (public dividend capital), and our contribution to the national Clinical Negligence Scheme for Trusts.

Income

The majority of our income 89% (£275.8m) was for clinical services, with the remainder 11% (£33.6m) for non-clinical services such as education. 89% of our clinical income came directly from our three main "commissioners" who purchased services from us on behalf of local patients and communities. These were:

- Shropshire Primary Care Trust (47% of our direct clinical income during 2012/13).
- Telford and Wrekin Primary Care Trust (34% of our direct clinical income during 2012/13).
- Powys Teaching Health Board / Bwrdd Iechyd Addysgu Powys (8% of our direct clinical income during 2012/13).

In addition to these direct contracts and service level agreements, these three organisations also commissioned certain specialist services (e.g. renal services, neonatal services) through regional consortium arrangements such as the West Midlands Specialised Commissioning Group and Health Commission Wales. Income from these regional specialised commissioning arrangements as well as "other clinical income" (such as private patients, overseas visitors and the NHS Injury Cost Recovery Scheme) accounted for the remaining 11% of income.

Finance Report

The national priorities for the NHS were set out in the NHS Outcome Framework 2012/13. The refreshed national priorities were:

- Preventing people from dying prematurely

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

Examples of progress against these priorities are:

- Preventing people from dying prematurely: The Trust implemented a specialist cardiology rota which provides 24/7 cover with on site weekend consultant ward rounds. We made considerable progress in ensuring that our patients are seen by the most appropriate person including earlier senior clinical decision making into acute medical admissions.
- Enhancing quality of life for people with long term conditions: The Trust worked with commissioners to review and redesign clinical pathways including headache and epilepsy pathways. We introduced an integrated Frail Complex Service in partnership with the community services and social services teams which provides early assessment and interventions to help either to prevent admissions or to reduce the time spent in hospital.
- Ensuring that people have a positive experience of care: We revised our Admission and Assessment Tool to ensure that our patients are involved in decisions about their care and enables patients to be involved in planning their care including nutrition, mobility and communication.
- Helping people to recover from episodes of ill health following injury: Physiotherapists working within the inpatient setting deliver a rehabilitation service to all patients who have injured themselves, for example Head Injured patients, Trauma and Orthopaedic patients and link with colleagues working in the community to ensure continuity of care wherever possible. The Outpatient Physiotherapy teams serve the population of patients who are referred by GPs and consultants following Musculoskeletal injuries providing services within the Fracture Clinic and A&E settings as well as the main physiotherapy department
- Treating and caring for people in a safe environment and protecting them from avoidable harm: Our Pharmacy Team have redesigned and launched revised medicine charts to reduce the potential for errors and we have developed a learning package to increase education and knowledge. Through the national Leading Improvement in Patient Safety (LIPS) Programme we have successfully introduced a structured method for communicating critical information.

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 2012/13 there has been no new accounting standards adopted by the Trust.

Financial Duties

The Trust achieved all of its statutory financial duties:

- To achieve a break even position on the Statement of Comprehensive Income. An adjusted retained surplus of £0.081 million was recorded.
- To achieve a capital cost absorption rate of 3.5%. The Trust achieved a rate of 3.5%.

- To operate within the external financing limit which controls the level of external borrowing which the Trust may access. The Trust's target of £15.299 million was achieved with an actual external financing limit of £6.951 million.
- To operate within the capital resource limit, which controls the level of capital expenditure that may be incurred. The Trust's target of £24.749 million was achieved with an actual charge against the capital resource limit of £16.399 million.

Capital Programme and the Trust Estate

The Board continued to invest in the development of the Trust's facilities. In 2012/13 the Trust invested £16.399 million in assets, of which £8.174 million was spent on Future Configuration of Hospital Services Project 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:

- £331k on the continuing Patient Monitoring Replacement Scheme.
- £330k final phase of Digital Mammography Replacement Programme.
- £563k on enabling works for replacement Linear Accelerator.
- In addition to above the Trust invested significantly in preparation for the Future Configuration of Hospital Services Project.

The new Cancer and Haematology Centre development (The Lingen Davies Centre) was completed during 2012/13 and brought into use in autumn 2012. Financial support was received from a range of charitable partners including Lingen Davies Cancer Appeal, SATH Shropshire Blood Charitable Fund, League of Friends of the Royal Shrewsbury Hospital, SATH Head and Neck Charitable Fund and Shropshire and Mid Wales Head and Neck Charity. The Trust is very grateful to all these charitable supporters for providing this state-of-the-art facility in which to treat our patients

Managing Risks

The Trust's Risk Management Strategy defines leadership, structure and the risk management processes, to ensure a continuous assessment of risk throughout the organisation. The strategy is reviewed annually. In the National Health Service Litigation Authority (NHSLA) General Standards the Trust currently holds Level 1 and the Trust's is working toward a Level 2 assessment. The Trust also currently holds Clinical Negligence Scheme for Trusts (CNST) Level 2 in maternity and is working towards a Level 3 assessment.

The Board Assurance Framework provides a simple but comprehensive method for the effective and focused management of the principal risks to meeting the organisations objectives. The Trust has made significant progress on achieving an integrated approach to governance and has developed its assurance system by aligning the Trust's current objectives, Board Assurance Framework, Care Quality Commission Standards, and risk registers. The format of the Board Assurance Framework was reviewed in 2012/13 and was organised into six key risks as follows:

- **If we do not achieve safe and efficient patient flow then we will fail the national quality and performance standards:** This risk carried over from the previous year, although the wording was refined. This is the most significant risk the Trust faces. There are a number of interrelated components including failure to deliver national targets linked to a mismatch in capacity and demand. During the year, the Trust did not meet the A&E performance target; the RTT target or the cancelled operations target. This is declared as a significant issue. There is significant work

ongoing with the local health economy to deliver sustainable solutions to this issue. There are a number of associated action plans (Patient Flow sustainable action plan; Booking and Scheduling action plan) and progress is actively monitored by the Board.

- **If we do not deliver safe care then patients may suffer avoidable harm and poor clinical outcomes and experience:** This risk was carried over from the previous year, with revised wording. The Trust saw a decrease overall in the number of falls during 2012/13 and reduced the number of falls resulting in serious harm by a third. However there was an increase in the number of falls which had the injury identified as contributing to the patient's death. This is declared as a significant issue. A detailed update and the comprehensive action plan were presented to the Trust Board in February 2013 and good progress has been made. The Trust has continued to improve infection prevention and control, with reductions in both MRSA bacteraemia and C difficile during 2012/13. Mortality data provide an important indicator and have shown improvement throughout the year. This information was reported regularly to the Board throughout the year. The performance report currently includes information on both the Hospital Standardised Mortality Ratios (HSMR) and Summary Hospital-level Mortality Indicator (SHMI). The Trust remains within the expected range for all categories of the SHMI and HSMR based on rolling 12 month averages. Progress against this objective is closely monitored by the Clinical Quality and Safety Committee and reported to the Trust Board each month as the first part of the Integrated Performance Report.
- **If we do not have a clear clinical service vision then we may not deliver the best services to patients:** This was a new risk identified in year. Over the year there has been a structured programme of work to arrive at service delivery models led by a Clinical Service Strategy Group which reports to the Board. The Board considered revised service delivery models in November 2012 and February 2013. The intention is to present a Clinical Service Strategy for public consultation in autumn.
- **If we do not get good levels of staff engagement to get a culture of continuous improvement then staff morale and patient outcomes may not improve:** This is a new risk. In recent years the Trust has not scored well on the national staff surveys. A programme of leadership development has been established including the Management Development Programme and the Leadership / Development Academy. Staff induction is linked to the values of the Trust. There is a Staff Wellbeing Programme in place. During the year, the Workforce Committee was established and part of its remit is to monitor work to improve staff morale. Progress is reported to Board via Committee updates.
- **If Board members are not appointed in a timely fashion then this may impact on the governance of the Trust:** This was a new risk which was linked to the high turnover at Board level. During the year, the Trust appointed a new Chief Executive (from September 2012), Chief Operating Officer (from December 2012) and Medical Director (takes up post April 2013). The Trust Chairman had to stand down due to ill health in September 2012, and there is an acting Chairman in place, as well as Non-executive Director vacancies. These vacancies are being progressed by the Trust and the NTDA. Progress with mitigating this risk is provided in the monthly update to the Board by the Trust Chair.
- **If we do not achieve a financial risk rating of 3 then we will not be authorised as a FT:** This risk carried forward from 2011/12 and had a number of components including failure to achieve Income and Expenditure (I&E) surplus, liquidity and CIP plans. Scrutiny of plans took place through the Finance Committee. The Trust is forecasting a Financial Risk rating of 2 for the first three quarters of 2013/14. This improves in Quarter 4 on the assumption that our liquidity ratio improves due to a liquidity loan being granted in Month 12 (2014). The Trust planned a £1.2m surplus within

the financial year 2013/14 with a strategy to use all the in year surplus to improve the cash held by the Trust. However, this alone will not deliver the improvement to the liquidity metric required to meet Foundation Trust requirements, during that year. Without a provision of a liquidity loan the Trust will continue to deliver a Liquidity Rating of 2. Discussions are taking place with the NTDA regarding a liquidity adjustment. The Trust's 5 year plans illustrate that we plan to deliver surpluses of £2.3m in 2014/15 and £3m in years 2015/16 to 2016/17 and our strategy remains to use all these surpluses to improve cash held by the Trust. If we deliver this, our liquidity metric improves to 3 within 2014/15 and level 4 from 2015/16 onwards. There are currently discussions taking place with the NTDA and the current financial plan for 2013/14 highlights this liquidity issue, ensuring that through this planning process we can agree a way to accelerate the improvement of currently underlying liquidity weakness through the receipt of an appropriate working capital loan.

The Risk Committee is a quarterly committee which replaced the Risk Management Executive in November 2012. The Risk Committee has non-executive director membership and is chaired by the Chief Executive. It is responsible for providing leadership for the co-ordination and prioritisation of clinical, non-clinical, and organisational risk, ensuring that all significant risks are properly considered and communicated to the Trust Board. The Committee provides assurance to the Trust Board that the systems for risk management and internal control are effective. The Risk Committee met in November 2012 and February 2013. Prior to this, the Risk Management Executive met monthly from April to September 2012

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

Supplementary Financial Information

Carrying valuation of land: As at 31 March 2013 the Trust's Directors confirm the carrying valuation of land is £26.64m and reflects the market valuation for existing use.

Treatment of pensions liabilities in the accounts: Past and present employees are covered by the provisions of the NHS Pensions Scheme. Details of the benefits payable under these provisions can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. The scheme is an unfunded, defined benefit scheme that covers NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS Body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period. The scheme is subject to a full actuarial valuation every four years with approximate assessments in intervening years. Further details of these valuations can be found within the Notes to the Accounts of the Trust's Annual Accounts for 2012/13.

External Constraints and Key Dependencies: During the year the Trust was governed by the Department of Health and its performance was monitored locally by West Midlands Strategic Health Authority (as part of the NHS Midlands and East Strategic Health Authority cluster) along with other NHS organisations regionally and locally (e.g. the Care Quality Commission). The Trust's ongoing activity is dependent upon continued referral of patients from local healthcare commissioners, the most significant of which are Shropshire County PCT and Telford & Wrekin PCT (as part of the West Mercia PCT Cluster) and Powys Teaching Health Board. In England, patient referral is also dependent on the choices made by patients following the introduction of patient choice across a growing range of health care services. During the year the Health and Social Care Act 2012 received Royal Assent, leading to the establishment of new Clinical Commissioning Groups and the abolition of Primary Care Trusts and Strategic Health Authorities. From April 2013 our main contractual relationships are with

Shropshire County Clinical Commissioning Group, Telford & Wrekin Clinical Commissioning Group and Powys Teaching Health Board whilst the primary responsibility for performance management of NHS Trusts has passed to the new NHS Trust Development Authority.

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

Better Payment Practice Code: The Better Payment Practice Code requires the Trust to aim to pay valid invoices by the due date or within 30 days of receipt of goods or valid invoice, whichever is later. In 2012/13 the Trust achieved 67% in the year for non NHS invoices and 68% for NHS invoices (by value). The Trust made minimal payments of interest to small businesses under The Late Payment of Commercial Debts (Interest) Act 1998.

Non-NHS Bills	Year Ended 31 March 2013		Year Ended 31 March 2012	
	Number	£000	Number	£000
Total Trade Invoices Paid	91,154	110,477	89,887	98,915
Total Paid Within Target	54,877	74,531	75,177	78,743
% Paid Within Target	60%	67%	84%	80%

NHS Bills	Year Ended 31 March 2013		Year Ended 31 March 2012	
	Number	£000	Number	£000
Total Trade Invoices Paid	2,494	15,878	2,170	19,505
Total Paid Within Target	1,736	10,866	1,921	17,716
% Paid Within Target	70%	68%	89%	91%

Delivering our plans to strengthen our liquidity position will support improved compliance with the Better Payments Practice Code in future years.

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

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

External Auditors: The Trust's external auditors are appointed by the Trust Board. During the year the Trust's activities and accounts were audited by KPMG LLP, One Snowhill, Snow Hill, Queensway, Birmingham, B4 6GH. The baseline annual audit fee for the year was £112,600 (excluding VAT) and included the core audit work of the financial statements, the whole of government accounts and the value for money audit. KPMG LLP did not complete any further work for the Trust that was outside of the core statutory audit.

7. Our Staff and Partners

We value our workforce and it drives our future success. As a Trust we spend 67.3% of our resources on pay and staffing and continue to focus on supporting and developing our workforce to deliver services for the future within the resources available to us.

Workforce Profile

In 2012/13 our actual staff employed increased by 49 to 5439. When taking into account those employed on part-time contracts, the full time equivalent (fte) number increased by 44 to 4566. Our substantive workforce at 31 March 2013 included approximately:

- 537 fte doctors and dentists (11.3%), an increase of 24 compared with 2011/12
- 1,363 wte nursing and midwifery staff (29.9%) – a reduction of 3
- 595 wte scientific, technical and therapies staff (13.0%) – an increase of 17
- 1,175 wte other clinical staff (25.7%) – a reduction of 38
- 896 wte non-clinical staff (19.6%) – an increase of 44

In addition to this the available workforce at year end included over 900 staff employed through the Trust's internal bank. An average of 267.3 fte staff worked via the Trust internal bank per month during 2012/13, in addition to a further 128.0 fte staff employed through agencies.

Expenditure on staff accounts for approximately 67.3% of our expenditure.

There are currently approximately 800 volunteers active in the Trust and we work closely with our main charitable partners (including Leagues of Friends at our two main hospitals, WRVS and the Lingen Davies Cancer Appeal).

Our workforce achievements in 2012/13

We have continued to develop our Workforce Strategy in collaboration with staff and our Trade Union/Professional Association

colleagues. We have used our staff survey results, feedback from an organisational cultural assessment undertaken early in the year and intelligence gleaned from numerous discussions and individual conversations to help us to understand what would really make our organisation a great place to work and to determine our priorities moving forward. This year, for the first time, our staff survey reached all employees in the Trust, rather than a random sample. 57% of all staff responded and this has given us excellent information on which to base our strategy.

Pressure on our staff this year has been considerable due to high levels of clinical activity. At the same time, we have implemented a number of significant changes in our clinical services model which has had significant implications for staff. A number of staff have moved site and some have changed specialties to enable the Trust to deliver services for patients in the right place. We worked closely with staff and staff-side colleagues and have been impressed with the willingness of our staff to support the Trust and commitment they have shown to patient care.

We have continued to develop plans for the Future Configuration of Hospital Services due to the significant Workforce implications. A Workforce transition plan is being developed to support staff. A number of staff engagement events have been held varying from updates to 'gossip groups' to ensure staff are receiving consistent communications relating to the change. In addition a staff rotation programme between sites has begun to support team development.

We have introduced Apprenticeship framework qualifications to a range of support workers during the year which supports the Trust's

recruitment strategy and provides enhanced employment opportunities for people in our community. We have also launched the “Get Into Hospital Services” programme in collaboration with the Prince’s Trust. Aimed at unemployed 18-25 year olds, this programme provides opportunities for people to spend four weeks in the Trust receiving classroom teaching and practical training and certificates and taking part in work placement. This will enhance their employment opportunities, particularly in a healthcare environment.

One of our key priorities for 2012/13 has been to reduce our sickness absence levels. This has proved to be a significant challenge with increases being seen in the early part of the year and through the winter. However, a number of initiatives introduced as part of our Health and Wellbeing plan are now achieving positive results as absence has begun to reduce.

Performance against our targets for staff sickness absence is summarised below

Staff Sickness	Year Ended 31 March 2013
Sickness Absence %	4.45%
% Over Target Sickness of 3.39%	1.06%
Total FTE Calendar Days Lost (notes 1 and 2)	72,976
Average FTE Calendar Days Lost Per Employee	16
No. Ill Health Retirements (note 2)	7
No. Voluntary Resignation – Health	4

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

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

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

Workforce KPIs	Year Ended 31 March 2013	Target
Turnover %	8%	8%
Training Coverage %	56%	80%
Appraisal Coverage %	72%	80%

Looking ahead, we have developed plans to extend some clinical services such as Radiology to seven day opening in 2013/14. This will have significant implications for staff working in those areas and we are working closely with those affected and staff-side colleagues to implement the changes successfully.

Health and Wellbeing

A long-term and integrated approach to developing a healthy workplace will support our staff, and result in improved serves to patients. The NHS Constitution places wellbeing at the heart of its staff pledges requiring us to ‘provide support and opportunities for staff to maintain their health, wellbeing and safety’ (NHS Constitution, 2010).

As a Trust we want to enable our employees to reach their full potential both in and out of the workplace, and be enthused and committed to their work. Our three overarching objectives are:

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

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

Working in partnership with NHS Employers, we have also developed an improvement plan to reduce sickness absence and improve staff health and wellbeing.

A number of health and wellbeing initiatives have been launched and promoted including, Health and Wellbeing roadshows, how to access cognitive behavioural therapy, health checks, weight watchers, smoking cessation and exercise classes.

There has also been increased support to areas with high sickness absence to try and identify issues and offer appropriate support to improve staff attendance, including Occupational Health clinics with managers.

Staff Engagement

We continue to maintain effective working relationships with our staff-side representatives through working in partnership. In addition we use a range of mechanisms to provide information to, and consult with our staff. Over the last year we have had a strong focus on Health and Wellbeing (see above). The organisation continues with a strong internal communications framework including an intranet site for staff, monthly Quality News email newsletter, Staff Update Quarterly newsletter to all staff in payslips, open staff briefings by the Chief Executive and other Directors, workshops and roadshows to raise awareness. Members of the Executive team have continued to implement the "buddying" system where each of the Executive Directors is linked with one or more of our Clinical Centres; this will now be refreshed to support our Care Group Structure.

We are working closely with our staff-side colleagues and with staff through our change programmes to ensure that the workforce is well supported and remains well

motivated. We have provided numerous 'Colour of Change' workshops to support staff; which have received positive feedback including requests for the programme to be delivered to other organisations.

Looking to the year ahead improving our Staff Engagement will be a key operational objective.

Equality and Diversity

The Trust has a strong commitment to equality and diversity.

We understand that we have an important role to play in the communities we serve, both as an employer and a provider of healthcare services. The Equality & Diversity policy makes clear our commitment to preventing discrimination and promoting equality and diversity in both spheres of responsibility.

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

The EDS requires the Trust to carry out a baseline audit of its current equalities performance against each of the four EDS goals and to discuss this with community representatives from the nine protected groups. To support this requirement, the Trust established an EDS Task and Finish Group to help formulate its actions in relation to the four goals, and to ensure that delivery of the actions was monitored. The group includes representatives from staff side organisations, the nine protected characteristic groups, and local Authority equality and diversity teams.

The EDS Task and Finish Group identified outcomes which reflected the four goals.

The outcomes identified were:

- The safety of patients is prioritised and assured. In particular, patients are free from abuse, harassment, bullying, violence from other patients and staff, with redress being open and fair to all

- Patients are informed and supported to be as involved as they wish to be in their diagnoses and decisions about their care, and to exercise choice about treatments and places of treatment
- Staff are free from abuse, harassment, bullying, violence from both patients and their relatives and colleagues, with redress being open and fair to all
- The workforce is supported to remain healthy, with a focus on addressing major health and lifestyle issues that affect individual staff and the wider population
- Middle managers and other line managers support and motivate their staff to work in culturally competent ways within an environment free from discrimination

The organisation uses the “Competency Framework for Equality and Diversity Leadership” to recruit, develop and support strategic leaders to advance equality outcomes

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

Our Employment of People with Disabilities policy recognises the value that staff with disabilities can provide to the Trust, and the framework of support that needs to be in place to support this. We encourage employment applications from all individuals based on the skills, knowledge and experience that they can contribute to the organisation. We monitor the effectiveness of our policy in a number of ways including; audit of equal opportunity monitoring forms and submitting an annual staff profile report to the Trust Board.

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

Approximately 80% of our workforce is female, and 11% are from ethnic minority backgrounds,

compared to a local population figure of about 2%.

For the second year we have included a staff diversity profile in our annual report (see Appendix 3) which now also includes year-on-year comparisons.

Pay and Conditions

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

In 2012/13, we implemented the final year of a 3 year national pay freeze. Because Agenda for Change pay scales enable incremental annual increases, approximately 55% of our non-medical employees did receive an incremental pay rise over the course of the year.

Following a detailed consultation with a large proportion of our ward-based staff, we adopted a 12.5-hour shift model for many of our nursing teams this financial year. This model is intended to enhance patient care by reducing the number of handovers; improving consistency of handover practice and consistency of start and finish times of shifts. The change also brings an improved daily continuity of care as the same nurse cares for the patient for the duration of the day.

We also ran a Mutually Agreed Resignation Scheme (MARS) this year, to help us to create job vacancies that could be filled by redeployment of staff from other jobs or as a suitable alternative for those facing redundancy. The scheme helped us to address the challenges presented by this period of significant financial challenge and service redesign.

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

- Parental leave, Maternity Leave, Adoption Leave and Maternity Support (Paternity) Leave – this suite of policies has been updated to ensure that it meets legislative requirements.
- Preceptorship – this policy has been updated to reflect changes in the Agenda for Change terms and conditions of employment.
- Policy for Overpayments & Underpayments – this new policy has been created to enhance the clarity of our terms and conditions in relation to over and underpayments of salary.
- Managing Staff with MRSA – this policy has been updated to reflect best practice.
- Employment Breaks – this policy has been updated to reflect best practice.
- Management of Change – this policy has been updated to ensure that it meets legislative requirements.

Fraud and Corruption

Specifically in relation to Fraud and Corruption, the Trust takes these issues very seriously and has policies in place for its prevention, identification and appropriate action. During the year the Trust commissioned its internal auditors to undertake a review in relation to the requirements of the Bribery Act and our policies and procedures are being updated to reflect the recommendations from this review.

Public Interest Disclosures

During 2012/13 there were no public interest disclosures in relation to Health and Safety or Occupational Health.

Learning and Development

During 2012/13, the Trust has continued to work in partnership with a range of Higher and Further Educational institutions to ensure that staff have the clinical, professional and leadership managerial skills to provide safe and effective services to our patients.

As a teaching hospital, and under the leadership of Hospital Dean, Dr John Jones, the Trust provides teaching and clinical placements for students engaged on the Keele University MBChB accredited by the General Medical Council. During 2012/13, we provided accredited teaching and placements for medical students on years 3, 4 and 5. As a measure of our success, we are continuing to have final year students applications for our Foundation Doctor positions, providing a level of continuity and a high quality service to our patients. We successfully hosted the Keele University final Observed Structured Clinical Examinations (OSCEs) at the beginning of April 2013.

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

The Trust worked in partnership with Staffordshire University to provide practical placements for nursing students in both hospitals, with qualified Trust nursing staff acting as mentors to these nurses in training.

Underpinning all our learning programmes and partnerships is the provision of knowledge and library services that support the delivery of an evidence-based service to our patients.

Recognising the importance of having skilled staff at all levels of the organisation, the Trust invested in the vocational development of staff in Agenda for Change Bands 1-4 and over 160 staff completed Award programmes (such as Apprenticeships), during 2012/13, including Healthcare Assistants, Porters and Domestic and Catering Staff. A programme held in partnership with The Prince's Trust saw 14 young people complete programmes of work

experience and support with the Trust as part of our agenda for supporting people into work.

The Trust invested in high quality programmes of Leadership Development for staff at all levels of the organisation and 182 staff completed programmes of study in partnership with Warwick Business School, Staffordshire University and Telford College of Arts and Technology. These were reinforced by a Leadership Conference held in October 2012 that attracted over 200 staff. In addition, the Trust's coaching programme was expanded during 2012/13 so that over 100 staff accessed coaching support from accredited coaches.

During 2012/13, the Trust provided an extensive programme of training and support to all staff including statutory and mandatory training, clinical skills development and personal and professional skills development and over 80% of staff accessed learning opportunities during this period.

Priorities for 2013/14 will include:

- Supporting the Trust's transformation programme with patient-focused education and learning

- Embedding the Trust's Values in all our learning programmes and appraisal process
- Ensuring that all staff meet fundamental requirements (in line with our NHS Litigation Authority level 2 commitment) and introduce a mandatory Essentials of Care programme for all nursing staff
- Supporting the Care Groups to manage their staff effectively
- Supporting staff to carry out their roles well in changing circumstances
- Delivering high quality education to staff and students within resource constraints

NHS Constitution for England

The NHS Constitution sets out the rights and responsibilities for patients, staff and NHS organisations in the NHS in England. During 2012/13 the Trust has continued to strive for the highest standards of care in line with the NHS Constitution. However, as described elsewhere in this Annual Report we have faced particularly challenges in relation to waiting times for planned care and in Accident & Emergency. Improvement in waiting times is a key priority for 2013/14.

8. Our Organisational Structure

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

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

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

Mr Martin Beardwell, Non-Executive Director, Vice-Chair and Acting Chair from September 2012

Martin retired from a career in personnel management in 1992. During his career he worked in both private and public sectors, and his special interests were in industrial relations and training & development. He was elected as Fellow of the Chartered Institute of Personnel and Development. Martin came to Shropshire in 1974 to set up the personnel function for the former Salop Area Health Authority. Following retirement from mainstream employment he continued as an HR consultant. He also served as a magistrate in Shropshire for 33 years and as a member of Employment Tribunals for 19 years. Martin has been a Non Executive director of the Trust since it was established in October 2003 and was elected Vice Chairman in 2007. Following the resignation of Dr John Davies in September 2012, Martin became Acting Chair of the Trust.

- Term: October 2011 to September 2013 (third term)
- Political activity: Martin was elected to Shropshire County Council as a Liberal Democrat Councillor for Quarry division in 1993. He became a senior politician and was Leader of the Council in 1999. He did not seek re-election in 2005.
- No interests to declare
- *Interests expiring during the year: Director, Impact Alcohol Advisory Services*

Dr Robin Hooper, Non-Executive Director

Dr Robin Hooper is a qualified solicitor and chartered secretary with over 30 years experience in the public sector, including over 20 years at Director or Chief Executive level in local authorities. This included eight years as Chief Executive of Shrewsbury and Atcham Borough Council. Dr Hooper is a fellow of the Institute of Secretaries and Administrators. He has a masters degree in European and employment law and a doctorate in

business administration. He has worked as a Director of a national law firm and been part of a team on turnaround assignments in the public sector as well as having successfully held non-executive director roles within the private sector. He is now a director of the Shropshire law firm face2face solicitors.

- Term: November 2012 to October 2016 (first term)
- Political activity: None.
- Director of Verity House Limited, Director of Holy Cross Limited, Director of Enterprise Prospects Limited, Director of Global Enterprise Solutions Limited, Director of Face 2 Face Solicitors, Director of Sports Booker Limited, 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
- No interests to declare

Mr Barry Simms, Non-Executive Director

Barry is a former Fellow of the Chartered Institute of Cost and Management Accountants. He was previously finance director and deputy managing director of AEA Battery Systems as well as finance director of AGM Batteries Limited. Prior to this he had a long career in the

automotive components industry having held directorships with European subsidiaries of Dana Inc. and several UK subsidiaries of GKN plc. In addition to his executive operational management experience his expertise was in business start-ups and change-management, whilst actively involved in management development and team building. He also had executive involvement in Mergers and Acquisitions, as well as divestments activities whilst cultivating relationships with investors and the relevant local political community.

- Term: June 2012 to March 2013 (second term)
- Political activity: None
- Non-Executive Director on the Board of Coverage Care Services Limited

Barry Simms resigned from the Trust with effect from 31 March 2013.

Dr Peter Vernon, Non-Executive Director

Dr Peter Vernon is currently managing director of innovation consultancy Alberi Limited. He has considerable experience of implementing strategic plans in an operational environment from his work in a range of roles in the UK and abroad for Boots Healthcare International, including Head of Professional Marketing, responsible for the development of a global marketing strategy and as General Manager for the firm's Italian business with profit and loss responsibility. Peter formerly worked in the fields of research and development for Unilever. He is in his second term of office as Non Executive Director of the Trust, having first been appointed in January 2007.

- Term: January 2011 to December 2015 (second term)
- Political activity: None
- Managing Director of Alberi Limited, Director of H10 Limited, Related to the Head of Facilities

Dr Simon Walford, Non-Executive Director

Dr Simon Walford, of Bridgnorth, has extensive experience in specialist medical practice and senior NHS medical management. He was a consultant physician specialising in diabetes and endocrinology 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 has held a number of non-executive roles in not-for-profit organisations, and is currently a director of Wolverhampton Grammar School and a member of the Board of the University of Wolverhampton.

- Term: October 2010 to September 2014 (first term)
- Political activity: None

- Chairman of Governing Body of Wolverhampton Grammar School, Governor of University of Wolverhampton, Director of Wolverhampton Academies Trust, In receipt of an NHS Pension

Members of the Trust Board: Chief Executive and Executive Directors

Mr Peter Herring, Chief Executive

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

- Appointed: September 2012
- No interests to declare

Mrs Julia Clarke, Director of Corporate Governance (Company Secretary) - non-voting

Julia joined the Trust in March 1986 working part-time until 1993 when she was appointed Head of Clinical Audit. Since that time she has held a number of different roles across the Trust, primarily focusing on governance and compliance, working closely with clinical staff across both hospital sites. She was born in Telford and now lives in Shrewsbury and has strong family links to all parts of Shropshire and Mid-Wales. She has a keen interest in ensuring safety and security for staff and patients and is Deputy Chairman of the NHS National Security Management Accreditation Board. Julia is also a Graduate member of the Institute of Chartered Secretaries and Administrators and British Psychological Society.

- Appointed January 2004
- Deputy Chairman of the National Security Management Professional Accreditation Board, Trustee of Shropshire Education & Conference Centre
- *Interests expiring during the year: Chairman of Shropshire Council's Standards Committee*

Debbie Kadum, Chief Operating Officer

After training as a nurse Debbie completed her orthopaedic nursing certificate and joined RJAH in 1986.

She held a series of nursing roles including seven years as a ward sister before moving into clinical and senior management roles. This included two years as clinical 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
- No interests to declare

Dr Ashley Fraser, Medical Director

Dr Ashley Fraser is a histopathologist by background. This is his second appointment as a local Medical Director having previously been the Medical Director of the former Royal Shrewsbury Hospitals NHS Trust until 2002. Recently he was Medical Director of NHS Employers, a national body that represents trusts in England on workforce issues including pay & negotiations and recruitment policy & practice. In this role he led the Medical Workforce Programme which included Medical Leadership, Revalidation, Accreditation and Medical Performance & Professionalism as key workstreams. Having retired from the NHS in March 2012, Dr Fraser returned from retirement in May 2012 to continue as Medical Director until March 2013.

- Appointed May 2011, leave of absence April 2012
- Trustee of Shropshire Education and Conference Centre Company Limited; Hon. Colonel 202 (Midlands) Field Hospital; Co-opted Member of the BMA Medical Managers Sub Committee.
- *Interests expiring during the year: Chairman of Shropshire Education and Conference Centre Company Limited*

Mrs Vicky Morris, Chief Nurse and Director of Quality and Safety

Vicky was appointed in January 2011 having first joined the Trust in an interim capacity in 2010. This is Vicky's third executive director position having previously worked as Executive Director of Nursing at two specialist Trusts. Vicky trained at Guy's Hospital in London and worked in a range of clinical and managerial roles before her first appointment to a Board level position in 2003. Vicky was nominated to the national NHS Top Leaders Programme in 2010, and has also led major regional programmes such as the "Image of Nursing" in 2009/10.

- Appointed January 2011
- No interests to declare

Mr Neil Nisbet, Finance Director

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

- Appointed April 2011
- Trustee of Wolverhampton Citizens Advice Bureau

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

Dr John Davies, Chairman to September 2012

- Political activity: None
- Trustee of Market Drayton Action for Health, Councillor of Moreton Say Parish Council

Mrs Sue Assar, Non-Executive Director to May 2012

- Political activity: None
- Director of Assar Consulting Limited which seeks to do business with the NHS.

Mr Adam Cairns, Chief Executive to June 2012

- Occasional paid consultancy work for Guidepoint Global Advisers

Mr Steve Peak, Acting Chief Executive, June to September 2012

- No interests to declare

Mrs Debbie Vogler, Director of Business and Enterprise – non-voting – to September 2012

- No interests to declare – note that Mrs Debbie Vogler continues as Director of Business and Enterprise, but to support Higgs compliance and broader Board Governance requirements the membership of the Trust Board was changed during the year to include voting Directors with support from the Company Secretary.

Board Meetings

The Trust Board met 13 times during the year in addition to the Annual General Meeting in September. Meetings of the Trust Board are held in public. Board papers are published on the Trust website. The table below summarises attendance by the voting members of the Trust Board.

Trust Board Attendance		Year Ended 31 March 2013
Name and Title	Attendance	
Dr John Davies Chairman	7 of 7	To September 2012
Sue Assar Non-Executive Director	2 of 2	To May 2012
Martin Beardwell Non-Executive Director	13 of 13	1 of 1 AGM
Dr Robin Hooper Non-Executive Director	4 of 5	From November 2012
Dennis Jones Non-Executive Director	13 of 13	1 of 1 AGM
Barry Simms Non-Executive Director	11 of 13	0 of 1 AGM
Dr Peter Vernon Non-Executive Director	9 of 13	1 of 1 AGM
Dr Simon Walford Non-Executive Director	12 of 13	1 of 1 AGM
Peter Herring Chief Executive	7 of 7	From September 2012
Steve Peak Acting Chief Executive	3 of 3	June to September 2012
Adam Cairns Chief Executive	2 of 5	To June 2012
Debbie Kadum Chief Operating Officer	3 of 3	From December 2012
Vicky Morris Chief Nurse / Director of Quality and Safety	12 of 13	0 of 1 AGM
Dr Ashley Fraser Medical Director	9 of 11	0 of 1 AGM From May 2012
Mr Christopher Beacock Acting Medical Director	2 of 2	April 2012
Neil Nisbet Finance Director	11 of 13	1 of 1 AGM

Notes: Former Chairman Dr John Davies was unable to attend the AGM on grounds of ill health and resigned from the Trust shortly afterwards.

The Board receives reports from the five committees chaired by the non-executive directors: Audit Committee, Finance Committee, Charitable Funds Committee, Quality

and Safety Committee, and Remuneration Committee. In addition the Trust Board receives reports from the three 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 regular reports on finance, performance, quality and risk. These reports ensure that the Trust Board can reach informed and considered decisions and ensure the Trust meets its objectives.

Audit Committee

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

Audit Committee Attendance		Year Ended 31 March 2013
Name and Title	Attendance	
Dennis Jones (Chair) Non-Executive Director	5 of 6	
Sue Assar Non-Executive Director	2 of 2	To May 2012
Dr Simon Walford Non-Executive Director	6 of 6	
Dr Robin Hooper	2 of 2	From September 2012

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

Remuneration Committee

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

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

The Committee's focus remains the contribution of the executive team to organisational performance. This was particularly important during the year given the recruitment during the year of a new Chief Executive, Chief Operating Officer and Medical Director (who started

shortly after year end). Within its planning the Committee will also consider the national landscape regarding pay and ensure appropriate action if required.

The Committee met on five occasions in 2012/13 (16 April 2012, 18 June 2012, 24 September 2012, 29 November 2012, 31 January 2013).

Remuneration Committee Attendance		Year Ended 31 March 2013
Name and Title	Attendance	
Dr John Davies Chairman	2 of 3	
Martin Beardwell Non-Executive Director	5 of 5	
Dennis Jones Non-Executive Director	5 of 5	
Barry Simms Non-Executive Director	5 of 5	
Dr Peter Vernon Non-Executive Director	3 of 5	
Dr Simon Walford Non-Executive Director	5 of 5	
Attendees		
Peter Herring Chief Executive	1 of 1	
Victoria Maher Workforce Director	5 of 5	

Other Board Committees

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

Charitable Funds Committee Attendance		Year Ended 31 March 2013
Name and Title	Attendance	
Sue Assar (Chair to May 2012) Non-Executive Director	To May 2012 1 of 1	
Martin Beardwell (Chair from June 2012) Non-Executive Director	4 of 4	
Dennis Jones Non-Executive Director	To December 2012 2 of 2	
Dr Robin Hooper Non-Executive Director	From December 2012 2 of 2	
Neil Nisbet Finance Director	Deputy attending 4 of 4	

Finance Committee Attendance		Year Ended 31 March 2013
Name and Title	Attendance	
Barry Simms (Chair) Non-Executive Director	9 of 10	
Dennis Jones Non-Executive Director	8 of 10	
Martin Beardwell Non-Executive Director	To December 2012 5 of 6	
Dr Simon Walford Non-Executive Director	From February 2013 1 of 2	
Neil Nisbet Finance Director	9 of 10	
Debbie Vogler Director of Business & Enterprise	8 of 10	
Victoria Maher Workforce Director	7 of 10	

Quality and Safety Committee Attendance		Year Ended 31 March 2013
Name and Title	Attendance	
Dr Peter Vernon (Chair) Non-Executive Director	6 of 6	
Martin Beardwell Non-Executive Director	2 of 6	
Dr Simon Walford Non-Executive Director	4 of 6	
Vicky Morris Chief Nurse	5 of 6	
Dr Ashley Fraser Medical Director	5 of 6	

Risk Committee Attendance		Year Ended 31 March 2013
Name and Title	Attendance	
Peter Herring (Chair) Chief Executive	2 of 2	
Dr Peter Vernon Non-Executive Director	1 of 2	
Debbie Kadum Chief Operating Officer	1 of 1 From December 2012	
Vicky Morris Chief Nurse	1 of 2	
Dr Ashley Fraser Medical Director	2 of 2	

The Risk Committee was established in November 2012.

Workforce Committee Attendance	Year Ended 31 March 2013
Name and Title	Attendance
Martin Beardwell Non-Executive Director	1 of 1
Barry Simms Non-Executive Director	1 of 1
Victoria Maher, Workforce Director (Chair)	1 of 1
Vicky Morris Chief Nurse	0 of 1
Adrian Osborne Communications Director	1 of 1
Jill Price Deputy Finance Director	1 of 1

The Workforce Committee was established in February 2013.

Hospital Executive Committee

The Hospital Executive Committee is responsible for the day-to-day running of the Trust, its operational policies and performance. The Hospital Executive Committee comprises the Trust's senior clinical and corporate leaders. The members of the Hospital Executive Committee at the end of the year were as follows:

Centre Chiefs

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

Chief Executive and Executive Directors

- Peter Herring, Chief Executive (Chair)
- Julia Clarke, Director of Corporate Governance Management (Company Secretary)
- Dr Ashley Fraser, Medical Director and Consultant Histopathologist

- Debbie Kadum, Chief Operating Officer
- Victoria Maher, Workforce Director
- Vicky Morris, Chief Nurse and Director of Quality and Safety
- Neil Nisbet, Finance Director
- Adrian Osborne, Communications Director
- Debbie Vogler, Director of Business and Enterprise

Other Senior Managers

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

Audit Declaration

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

Register of Interests

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

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

The Trust Board faced key challenges in relation to executive continuity, which were addressed during the year or shortly after year end through the appointment of Chief Executive Peter Herring (September 2012), Chief Operating Officer Debbie Kadum (December 2012) and Medical Director Dr Edwin Borman (April 2013). This ensured a full complement of permanent executive appointments on the Trust Board with a good gender balance.

There have also been non-executive vacancies following the resignation of previous Chairman Dr John Davies during the year in ill health grounds, with Non-Executive Director Barry Simms also leaving the Trust at year end.

Vice Chair Martin Beardwell has been Acting Chair whilst the recruitment process is under way, and the recruitment process for the new Chair and two non-executive director vacancies (this includes a replacement for Martin Beardwell when he retires during 2013/14) will actively seek to improve diversity within the non-executive members.

The introduction of the Board Governance Assurance Framework has provided a strengthened focus for Board review, and following a review of compliance with the framework standards the Trust has allocated the role of Senior Independent Director in 2012/13 to Non Executive Director Dr Simon Walford, and strengthened legal expertise within the non-executive membership through the appointment of Dr Robin Hooper who is a qualified solicitor. A further independent appraisal of Board effectiveness is scheduled to be undertaken as part of the Board Development Programme for 2013/14, along with independent assessment of the Trust's Board Governance Memorandum.

During the year the Trust has undertaken a self-assessment of Board Performance. This, supported by feedback from the former Strategic Health Authority from a Board-to-Board meeting and a Board Observation session, has supported the Trust to develop a board development plan. During the year this has included a refresh of the Board Committee structure and terms of reference.

Trust membership

The Trust is committed to developing and promoting an active and engaged membership of local people and staff in preparation for authorisation as an NHS Foundation Trust. We continue to strive for a representative membership that reflects our local communities, and we aim to encourage our membership to be diverse, well informed and actively engaged.

The combined public and staff membership as at 31 March 2013 is 14661 members. A breakdown of membership figures and changes in membership during the year is provided at Appendix 4.

Public membership

Our public constituency reflects our main catchment of Shropshire County (divided into three sub-constituencies: Central Shropshire, North Shropshire and South Shropshire), Telford and Wrekin and Powys County Council

(the Powys sub constituency covers Montgomeryshire and three wards north east of Radnorshire).

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

During 2012/13 we consulted with stakeholders as part of a review of the geographical boundaries for public membership. As a result, we have added a further twelve wards to our sub-constituencies to encompass those wards neighbouring our North Shropshire, South Shropshire and Telford & Wrekin sub-constituencies:

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

Staff membership

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

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

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

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 membership strategy was reviewed and updated during 2012/13. This outlines the steps the Trust will take over the next 3 years to ensure our membership is representative of its local communities, and that we have a diverse and engaged membership. Progress against key strategic goals includes:

- The Trust set a goal to increase the size of public membership to 10,000 by December 2013, with a focus on sections of the community that are under represented. Over the past year the Trust has recruited 2,024 new members and is ahead of its recruitment trajectory.
- Within our recruitment goal we strive to improve the representativeness of our membership, including specifically in North Shropshire and Powys which were under represented compared with other sub-constituencies. Targeted recruitment took place during December 2012 and January 2013 resulting in 1000 additional members from these sub-constituencies.
- A further goal to improve representativeness was to increase membership and engagement with young people between the ages of 16 and 21. We have built relationships with local schools and colleges to promote foundation Trust membership. This has included establishing a pilot Young Volunteer Scheme with students from Thomas Telford School. Following the success of this scheme it will now be rolled

out Trust wide with an increased number of placements available.

Our ongoing communication and promotion activities include:

- Attendance at local careers fairs, annual general meetings, community events etc. to promote foundation trust membership. During 2012/13 this included the Queen's Diamond Jubilee Pageant at RAF Cosford.
- We continue to keep our membership informed through our Foundation Trust newsletter, A Healthier Future. The newsletter provides updates on Trust news as well as informing members of ways they can become involved with the Trust.
- We have an on going series of health lectures which are open to all foundation trust members and staff. The latest series of health lectures have been organised to reflect the needs and interests of our public members.
- We have actively promoted volunteering as a way that members can become more involved with the Trust. We have promoted volunteering at recruitment events and within our Trust newsletter. We have put on a number of volunteer interest sessions and this has seen an increase in the number of volunteers and foundation trust members.

Further information

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

9. Remuneration Report

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

The remuneration report describes the remuneration of the senior managers and directors of the Trust, namely the voting and non-voting directors who are members of the Trust Board. This includes the Chair, Non-Executive Directors, Chief Executive, Finance Director, Chief Nurse, Medical Director, Chief Operating Officer, Director of Business and Enterprise (until September 2012) and Director of Corporate Governance (previously Director of Compliance and Risk Management).

The remuneration of the Chair and Non-Executive Directors were determined during the year by the independent Appointments Commission which was responsible for non-executive appointments to NHS Trusts on behalf of the Secretary of State for Health. The Appointments Commission was dissolved on 31 March 2013 with its responsibilities transferring to the new NHS Trust Development Authority.

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

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

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

Performance review and appraisal of the Trust Chair was undertaken during the year by the Chair of West Midlands Strategic Health Authority on behalf of the Secretary of State in accordance with appraisal guidance provided by the Appointments Commission. From 2013/14 this role transfers to the Chair of 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 Appointments Commission.

Performance review and appraisal of the Chief Executive was undertaken during the year by the Trust Chair and the Chief Executive of the NHS Midlands and East Strategic Health Authority cluster (including West Midlands Strategic Health Authority) in accordance with criteria set by the Remuneration Committee and guidance from the Department of Health. From 2013/14 this role transfers to the Trust Chair and the Chief Executive of the NHS Trust Development Authority. Performance review and appraisal of the Executive Directors is undertaken by the Chief Executive in accordance with criteria set by the Remuneration Committee and guidance from the Department of Health.

The Chair and Non-Executive Directors are appointed for terms of up to four years in accordance with Appointments Commission guidance and procedures (and from 2013/14, in accordance with NHS Trust Development Authority guidance and procedures).

Information about the terms and durations 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 was linked to the 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 no general increase in the national Agenda for Change pay scale for NHS staff nor in pay for medical consultants. The Trust decided not to award its executives a pay increase in 2012/13. The Trust does not operate a bonus system.

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

There were no severance payments made to the Directors of the Trust in 2012/13.

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 2012/13 was £180-185k (2011/12, £160-165k). In 2012/13 the highest paid director was the Chief Executive and in the prior year the highest paid director was the previous Chief Executive.

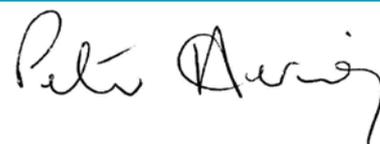
This was 7.59 times (2011/12, 6.83) the median remuneration of the workforce which was £24,072 (2011/12, £24,072) based on whole-time equivalent.

In 2012-13, 7 (2011/12, 25) employees received remuneration in excess of the highest-paid director. Remuneration ranged from £185-£190k to £240-£245k (2011/12, £160-£165k to £225-£230k).

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

The reason for the increase in the pay multiple from 2011/12 to 2012/13 is the increase in the remuneration for the highest paid director as a result of a new appointment.

The salaries and pension entitlements of the Trust's senior managers and directors for 2011/12 and 2012/13 are shown in Appendix 6.



Peter Herring
Chief Executive
27 June 2013

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.
Cancer Registry	A national system for gathering information about cancer services to monitor and review performance and outcomes.
Care Group	The Trusts clinical services are organised and led through four care groups – unscheduled care, scheduled care, women & children's and clinical support services.
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.
CLRN	Comprehensive Local Research Network – systems through which NHS organisations work together to co-ordinate research and ensure high standards
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 (HAIs)	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.
Hospital Standardised Mortality Ratio (HSMR)	A measure used to compare the risk of mortality in hospitals.
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 Trust 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
PROMs	Patient Reported Outcome Measures – a tool for measuring the impact of care and treatment on a patient
PSAG	Patient Status At a Glance – automated touchscreen display boards that enable clinical staff to view the clinical status quickly and simply, thereby supporting them to provide care
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
REC	Research Ethics Committee – mechanisms for ensuring the research meets high standards and is in the best interests of patients
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.

Appendix 1



Quality Account 2012/13



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Chief Executive statement

Quality, experience, safety and outcomes clearly must be the central driving principles for every NHS trust. Here at The Shrewsbury and Telford Hospital NHS Trust we have set out our clear commitment through our vision of Putting Patients First.

Joining the Trust during the year, several things I was very keen to understand were how we are performing, what our patients think about us and what their real experience is within our wards, clinics and departments. I also wanted to know what inspires and motivates our staff to always strive to give of their best.

This Quality Account is a vital and valuable snapshot of these various themes. It shows issues and areas where we have progressed well and made improvements such as a reduction in falls resulting in serious harm, the introduction of a frail and complex service, and improvements in our discharge pathways. These are clearly things that we need to build on, but there are also many other areas where significant improvement is still needed.

My commitment as Chief Executive as I begin my first full year with the Trust is to ensure that this is an organisation that is relentless in its pursuit of the patient's interests. Exceeding the expectations of our patients and the communities that we serve must always be what drives us.

In order to do this, the Quality Account sets out the priority areas that we need to focus on. These have been driven and identified by our patients, partner organisations and staff and by comparing ourselves with how other organisations across the NHS and beyond are delivering consistently high standards of care.

They include a focus on communication with our patients, relatives, GPs and community teams, and ensuring patients have a safe and effective discharge from hospital. Other priorities include continuing to reduce the numbers of patient falls, and the ongoing reconfiguration of inpatient services to meet the changing needs of our patients.

It is clear that in some areas of quality we have not delivered the standards that our patients and communities have the right to expect. I think there are two key issues that sit at the heart of this. The first is culture, which I will return to later. The second is capacity and flow.

It has been very clear that a big challenge for us, and also for the whole health and care system, has been the ability to meet, in a timely way, the urgent and emergency care needs of our communities. This issue is reflected throughout the Quality Account, and it is a significant contributory factor in cancelled operations and an increase in pressure ulcers, and has had an impact on patient experience.

This is why for me, ensuring that both within and outside hospitals we have got the right plans and the right capacity in place to deliver compassionate urgent care has been a significant focus during my first few months in post.

Knowing what we do today about demands for health services, I personally believe that this organisation would not come to the same conclusions as last year when it decided to reduce bed capacity (and the staffing associated with this). Our patients have felt the impact of this and our staff have also felt this impact. However, I am confident that we are much closer to getting it right as a health and care system.

It's critical that we focus on the culture of the organisation and ensure that this is founded on the values of the Six C's - *Care, Compassion, Courage, Communication, Competence and Commitment*. As Chief Executive, this will be my first priority for the year ahead – to ensure, engage, empower, and encourage a culture in this Trust where everyone feels able to provide the highest standards of care every time for every patient.

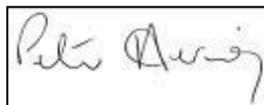
I want us to be a Trust which has the *courage* to be open when things go wrong and to have the *competence* to deliver what is expected and needed from us, whether we are providing frontline care or supporting those that do.

We need to ensure *communication* that is truly and fully focused on the needs of the patient in front of us and their family and loved ones, and that we have the *compassion* to always be present in the moment for the people we care for and work with.

I want us to have the *commitment* to always give of our best, and last but not least, to be a *caring* organisation that always **Puts Patients First**.

Declaration

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



Peter Herring
Chief Executive Officer



Quality Review

Part 1



1.1 A Review of Quality Performance in 2012 - 2013

In last year's Quality Account we outlined seven quality priorities for 2012/13. For each priority we have provided a report outlining the work undertaken within the Trust to underpin the improvements required.

Quality Priority 2012/13	Current Status of Priority	Comment	Further Details on Page
Preventing avoidable pressure ulcers		Despite continued focus on pressure ulcer prevention we have not eradicated grade 3 and 4 hospital acquired pressure ulcers over the last year. We have however, completed a baseline data collection of grade 2 ulcers and commenced Root Cause Analysis on these.	9
Reducing Inpatient Falls		A reduction was achieved in overall falls plus falls resulting in serious harm was reduced by 25%. Plus 94% of patients received a comfort round.	10
Safer Blood Transfusion		Improvements in training have been achieved, however observations have not demonstrated the required improvement	10
Using Patient Involvement to Improve Patient Experience		<ul style="list-style-type: none"> A wide variety of work has been undertaken by the PEIP over the last year. The Friends and Family question has been completed for 10% of discharged patients each week. Ward to Board surveys have expanded with more planned for the next 3 months 	11
Improving the Experience of Frail Elderly Patients		The Frail and Complex Service was launched successfully at the Royal Shrewsbury Hospital in December 2012 and at the Princess Royal Hospital in January 2013	11
Providing Effective Diabetes Care to Our Patients		<ul style="list-style-type: none"> Good progress with e learning training with application for Certificate of Achievement being progressed by the Trust. Single point lesions developed Patient experience survey for diabetic patients completed Awareness day held which was very successful 	12
Improving the Patient Journey		<ul style="list-style-type: none"> Expected Date of Discharge further embedded and now supported by PSAG Improvements made in Outpatient Experience 	13

Update on Quality Priorities in 2012/13

1. Preventing Avoidable Pressure Ulcers

Why was this a priority?

Last year we committed to eliminate avoidable Grade 4 pressure ulcers by December 2012 and Grade 3 pressure ulcers by March 2013. We have not achieved this and therefore must understand why we have not achieved our target in order to ensure that we achieve significant and demonstrable improvements in 2013/14.

The Trust is fully committed to achieving this priority as we recognise that the delivery of harm free care is as important to our patients as it is to us. Therefore we must and will provide an environment of safe and effective pressure area care to all patients at risk



What were our goals for 2012-2013?

Last year we committed to eliminate avoidable Grade 4 pressure ulcers by December 2012 and all avoidable Grade 3 pressure ulcers by March 2013.

We also said that we would do more to understand the number of grade 2 pressure ulcers and to improve the number of patients who received an assessment of their skin within 2 hours of admission.

What more do we need to do?

Reducing and preventing hospital acquired pressure ulcers is seen as a priority not only nationally, but also locally. Included in this priority is not only the elimination of avoidable Grade 3 and 4 pressure ulcers, but also to significantly reduce the number of Grade 2 avoidable pressure ulcers that are hospital acquired.

From September 2012 Grade 2 pressure ulcers were more closely monitored and a Root Cause Analysis is now completed for each one. Validation of the grading is completed, and in just over 50% of cases the initial grading is classified as not Trust acquired, moisture lesion or not a pressure ulcer. This assists the Trust in understanding the scale of the target to be achieved and actions that will be required to achieve those improvements.

All ward based nursing staff complete a pressure ulcer prevention workbook and are supported by our Tissue Viability Team with expert knowledge to deliver care. The Trust also ensures that staff are supported to attend formal post graduate tissue viability training with Staffordshire University. In the year ahead practical pressure ulcer prevention training will be included within the "Fundamentals of Care" day which is described in more detail later in the Quality Account.

The Trust has developed a Pressure Ulcer action plan which will be delivered in full over the coming year. Examples of actions include;

- Expanding our Tissue Viability team to provide an improved level of support and training to our staff
- Launching a Pressure Ulcer Prevention Group, chaired by the Corporate Nursing Team
- The Fundamentals of Care study day will be mandatory for ward based staff.
- Nursing documentation improved to support staff in making decisions about pressure area care.

We continue to use the Safety Thermometer and Pressure Ulcer reporting data to monitor and report our performance.

What have we achieved?

We have experienced a 63% increase in reporting of Grade 4 pressure ulcers and a 100% increase in reporting grade 3 pressure ulcers. These figures however have not been fully adjusted as they reflect all hospital acquired pressure ulcers including those that were clinically unavoidable. To ensure a transparent process is followed, any pressure ulcers deemed by the Trust to be unavoidable are then put forward for ratification by our Clinical Commissioning Groups.

The majority of all Grade 3 and Grade 4 Pressure ulcers reported since 01/01/2013 appear to fall into the category of being unavoidable (still pending investigation). Since 01/01/2013 the Trust has declared three (3) Grade 4 pressure ulcers, two (2) of which are suspected as being unavoidable at the time of reporting. However, as outlined above these would all require ratification and would remain reported as avoidable within Trust data until agreed otherwise.

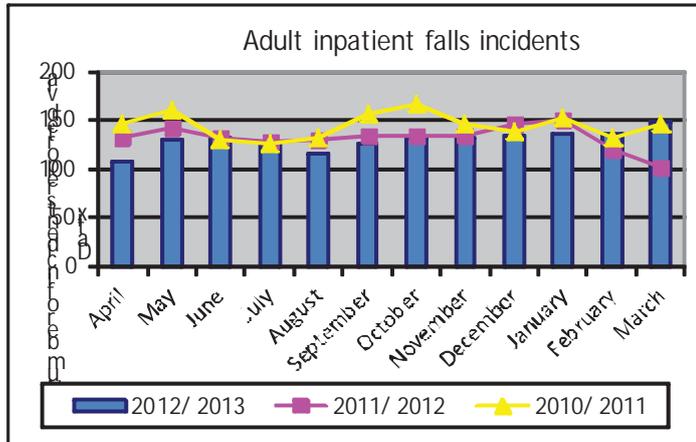
The process of confirming unavoidable pressure ulcers with our Commissioners has initially identified two (2) grade 3 pressure ulcers as matching the criteria for unavoidability (and therefore are not included in the figures identified), and a further 11 ulcers that are currently going through the ratification process.

	Grade 3	Grade 4
Confirmed SaTH (avoidable)	16	8
Unavoidable (confirmed by Commissioners)	2	0
Awaiting ratification (investigation in progress within organisation)	1	0
Pending ratification (with Commissioners to confirm as unavoidable)	11	5

2. Further Reduction of Inpatient Falls

Why was this a priority?

It is recognised that patient falls in hospital have the potential to lead to loss of confidence, serious injury, and extended stays. It is also widely recognised that patients may be at higher risk of falling in the hospital environment than they would be in their own homes due to the less familiar change in environment.



What were our goals for 2012-2013?

Our quality priority was to continue to achieve a year-on-year reduction in adult inpatients falls (excluding spontaneous fits, faints and collapses) which we had achieved in the previous two financial years.

We also said that we would reduce falls resulting in serious harm by 25% and that we would ensure that 100% of patients received a comfort round according to their needs.

What have we achieved?

In the financial year 2011/ 2012, we recorded a total of 1590 adult inpatient falls excluding spontaneous fits, faints and collapses. In the financial year 2012/ 2013 we recorded a total of 1562 similar incidents, which represents a modest reduction. Notably, the pattern of month-on-month reduction was sustained from April 2012 to January 2013, but not for February and March 2013 which this year more closely reflected the seasonal pattern for the year 2010/ 2011 than the year 2011/ 2012 as we saw an increase in emergency activity during this period. During March 2013 we also saw a 75% increase in the number of Frail and Complex patients being admitted to our hospitals for more than 48 hours.

In the financial year 2011/ 2012, we reported a total of 29 falls resulting in serious injury to the Health and Safety Executive under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995 (RIDDOR). In the financial year 2012- 2013 we reported a total of 22, which represents a reduction of approximately 25%.

The Trust's Falls Group continued to be active in progressing falls prevention measures across the hospitals. The year's activities have included a small-scale trial of bed pressure sensors and alarms, a trial of a new style of falls risk assessment on Ward 16 (informed heavily by the national FallSafe research project which was published in July 2012 by the Royal College of Physicians), and continued oversight of the lessons learned from the Trust's root cause analysis investigations into falls resulting in serious harm.

What more do we need to do?

In recognition of the seriousness of the risk to patients arising from falls in hospital, in February 2013 the Trust Board approved a corporate action plan aimed at reducing falls resulting in significant harm in hospital, which will form a major programme of work for the Trust in the coming financial year. This work will be monitored regularly by the Quality and Safety Committee and the Falls Task Group.

Some typical examples of the work planned for the current year are:

- A major programme of falls prevention e-learning for ward-based staff;
- A larger trial of bed and chair pressure sensors, and a separate trial of one-way slide sheets for use in bedside chairs;
- The introduction of a new style of falls risk assessment and care planning which it is hoped will lead to more individualised care plans for patients judged to be at risk of falls.

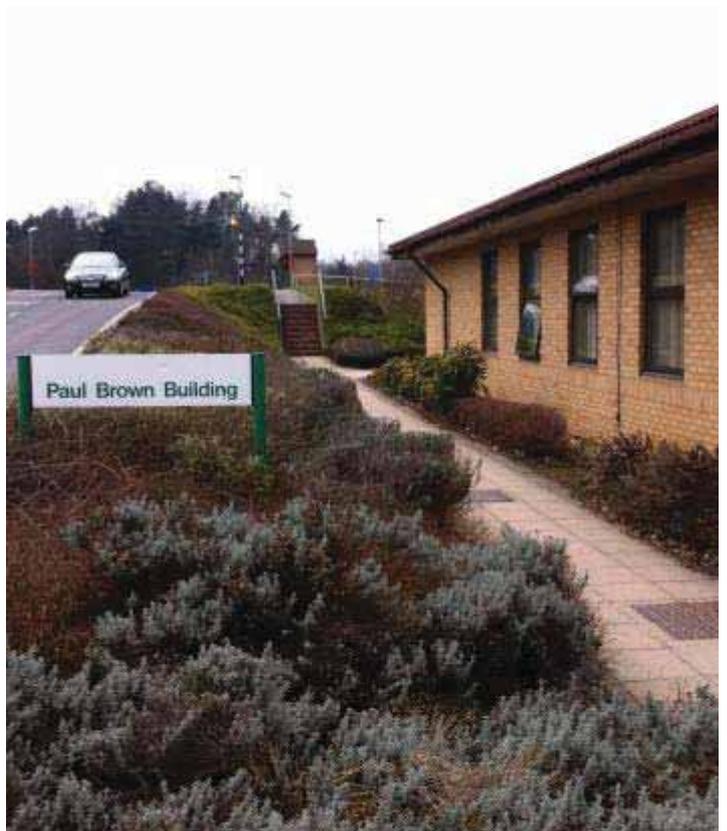
3. Safe Blood Transfusion

Why was this a priority?

Previous audits and monitoring performance (including national benchmarking) showed there were three main areas relating to blood component transfusion that should be improved to increase patient safety and also meet a national demand to reduce wastage of this precious component as blood stocks are low.

What were our goals for 2012-2013?

1. Reduce the number of sampling errors
2. Ensure we record patients vital signs at the right time, every time
3. Waste less blood components



What have we achieved?

Training

Medical staff recording of theory assessment commenced in August 12 and was initially 37.7%. In the six months from baseline, we have achieved a steady increase to 52%. Nursing/support staff reached 85.6% compliance in August 12, however has since reduced slightly to 83% mainly due to new staff starting and some two yearly competency assessments expiring which are awaiting renewal.

Sampling errors

10% reduction in overall rejections

15% reduction in serious errors

Monitoring of vital signs

Monthly spot check audits matched the results of 140 transfusions in May 12, which means that we have not improved in this area. The increase in compliance in the March 13 audit is promising and we must maintain a focus on this to ensure sustained improvement.

Red cell wastage has been reduced by 27% through a change in blood collection by Portering staff. However plasma wastage has been increased possibly due to implementation of the national massive haemorrhage protocol. It is hoped that that this will show a reduction over the next year.

we also need to consolidate the role that the patient representatives have in the reviewing and monitoring of care

What were our goals for 2012-2013?

- Patient Experience and Involvement Panel (PEIP), to be involved in the monitoring and review of care delivery utilising a comprehensive programme of work.
- The implementation of the Friends and Family test across inpatient areas with the aim of achieving a 10% response rate and a ten point increase on the April 2012 benchmark score. Our benchmark figure was set in April 2012 at 63.12, we achieved 75.7 for March 2013.
- Expansion of the ward to board metrics to outpatient and speciality areas such as Outpatients and Renal Unit.
- Develop clear action plans to address the issues identified in both inpatient and outpatient surveys

What have we achieved?

The patient representative panel has recruited representatives with a variety of special interests and backgrounds to increase the size and strength of the group.

Panel members have continued to build on last years comprehensive work programme and have been involved in a collection of patient stories, observations of care, quality assurance frameworks and audits of patient mealtimes. Over the last year panel members have been included in the recruitment process for senior nursing roles within the corporate team and have also been co-opted onto the project board of the Booking and Scheduling board.

We have implemented the Friends and Family Test across all inpatient areas, and in doing so achieved a response rate averaging above 20% and a ten point increase on our April 2012 benchmark score.

Monthly Outpatient satisfaction surveys are collected to allow monitoring of the areas in which the trust scored less well in the national survey. This has informed the review of the Outpatient action plan. The survey results show a sustained improvement in the eleven questions asked.

The trust has conducted quarterly inpatient questionnaires in which the questions asked have been designed to focus in on the areas in which the trust scored lowest in the National Survey 2011.

What more do we need to do?

- A systematic review of how to achieve the sampling competency assessment so that it is robust and effective. This will ensure that through training and education staff sample correctly by understanding processes and impact on outcomes for patients.
- Review a proposal for introducing an electronic add-on program to the BloodTrack system for safe sampling.
- Review processes of accountability for incidences of incorrect sampling and monitoring (and/or documenting) patients vital signs.
- Transfusion training to be prioritised by supporting link nurses to take on training of their own staff as this is not sustainable by the transfusion practitioners.
- Agree an action plan to improve platelet wastage.
- Reinforce a culture of not carrying out a transfusion if there is 'no time to perform basic safety checks' (non-acute situations)
- To improve compliance of recording vital signs.

A trial is being piloted over the coming months, the results of which will be fed back to Matrons for dissemination and action to benchmark our standards of practice with other Trusts across our region.

4. Using Patient Involvement to Improve Patient Experience

Why was this a priority?

We currently receive feedback from our patients in a variety of ways which we can then use to make improvements in the way that we deliver our services. Moving forward we need to involve patient representatives in the development of our services to deliver an enhanced patient experience,

What more do we need to do?

We will continue the work with departments to improve the patient experience in the areas identified in the inpatient survey results. We will also expand the Friends and Family test to Maternity and Emergency Department services during 2013/14.

We must sustain and improve upon the level of involvement of PEIP members across a range of activities within the Trust.

5. Improving the Experience of Frail Elderly Patients

Why was this a priority?

The Frail and Complex Service is one of the 4 key transformational change programmes within the Shropshire Unscheduled Care Strategy 2011-2014.

The Frail and Complex Service provides a joint approach between hospital and community health and social care staff to ensure that patients are getting the right care in the right place at the right time.

Nationally over the next 20 years, the number of people aged 85 and over is set to increase by 66% compared with a 10% growth in the overall population. Older people are admitted to hospital more frequently, have longer length of stay and occupy more bed days in acute hospitals compared to other individual groups. They have the highest readmission rates and highest rates of long term care use after discharge.

In addition, key local reasons for change include:-

- The need to provide an high quality, financially efficient service.
- Reduce the reliance on hospital beds and care for frail and complex patients in a community setting wherever possible
- Improved support for patients from community care resources
- Current fragmented services are failing to meet the needs of the population

What were our goals for 2012-2013?

"To achieve the best outcomes for frail older people through an integrated health and social care whole systems approach with inter-disciplinary/agency teams who understand the complex needs of this patient group, delivering a range of interventions at different stages along the patient journey from prevention and early identification through to services that manage acute illness (or exacerbations of chronic illness) without resorting to admission to specialist services in acute hospitals. Health and social care services are strategically aligned with shared leadership within a joint regulatory and governance framework".

Programme Description of the Frail and Complex Service

This is a three year project. Much of 2012-13 was spent establishing the foundations for integrated working across the health and social care economy. The specific operational aim for

patients either directly or indirectly through carers and relatives. 1 in 5 patients admitted to our hospitals have diabetes. Following the implementation of the "Think Glucose" campaign across the Trust during 2011, several areas for increased awareness and improvement have been highlighted for focus across all 3 domains of quality during 2012/13 with the overall aim being to reduce incidents relating to the prescribing and administration of Insulin and to improve outcomes and experiences for patients with Diabetes.

What were our goals for 2012-2013?

We will see a reduction in the number of prescribing and administration errors recorded on DATIX, the Trust's incident reporting system. This will be achieved by the following;

- 80% of appropriate staff will complete the learning modules as outlined by the NPSA
- Single Point Lessons will be developed and made available to staff which act as a quick reference guide and will cover a variety of subjects such as; complications of diabetes prescribing insulin, managing emergency situations.
- An awareness campaign led by the Endocrine Consultants and Diabetes Nurse Specialists which is supported by the board which focuses on specific diabetes related subjects and incorporating an awareness day and road show for a variety of staff
- A survey of diabetic patients to capture their experience of care delivered by the Trust
- An audit of identified inpatient areas against Key Performance Indicators

What have we achieved?

We have seen a slight increase in the number of errors recorded on the DATIX system. This may however be a reflection of the increased awareness of diabetes related issues within the trust.

A review in October 2012 showed that 135 members of trust medical and nursing staff have completed the module on safe use of variable rate insulin infusions and 537 members of trust medical and nursing staff have completed the safe use of insulin module

We have developed single point lesson plans, which have been developed for all the key areas relating to diabetes. In addition we established an awareness campaign led by the Endocrine Consultants and Diabetes Nurse Specialists which is supported by the board and focuses on specific diabetes related subjects.

In November; a repeat patient experience questionnaire was sent out to 200 patients with diabetes that had been in to hospital since April 2012. The results of this showed:

- 3% improvement in timely monitoring of blood glucose levels
- 19% improvement in patients ability to self administer diabetes medication whilst in hospital
- 12% improvement in accessibility of medications in order for self medication purposes
- 14% drop in overall satisfaction with care.

What have we achieved?

Following a series of monthly stakeholder workshops and operational meetings including patient representatives, the RSH Frail and Complex Service commenced on the 3rd December 2012 with the PRH Frail and Complex Service commenced on 28th January 2013

2012-13 was to launch this new way of working in both of SaTH's acute hospitals.

What more do we need to do?

The launch of the service in the acute hospitals is only stage 1 of the service development programme. The next critical step is to roll out the service across the county to strengthen the 'admission avoidance' element of the work on a more equitable basis for Shropshire residents and to target over 14 day length of stay patients in SaTH to strengthen the earlier supported discharge focus. The Frail and Complex Team have just begun dementia screening to support CQUIN requirements and in order to work more closely with colleagues in the RAID service as there is considerable overlap in this patient group. Running parallel to this is the need to explore active case management in GP Practices, work in partnership with Powys health board to develop a similar model of care and develop single point of access and a demand and capacity information hub

6. Providing Effective Diabetes Care to Our Patients

Why was this a priority

Diabetes is a condition that affects a significant proportion of

What more do we need to do?

The diabetes team will be monitoring the DATIX reports received regarding diabetes within the trust in addition to review of medication incidences reported via E-script and will report twice yearly to the Clinical Governance Executive regarding performance and progress. The trust will need continue to support the 80% completion of the online diabetes modules by all medical and nursing staff. In addition these registers will sub categorised to each clinical area in order to target areas that do not reach the 80% compliance target. The diabetes team will continue to audit the clinical areas for compliance to Think Glucose performance indicators

7. Improving the Patient Journey

Why was this a priority?

We recognised that the patient's journey has many steps and that we need to ensure that these run as seamlessly as possible. We needed to ensure that when our patients are admitted to our hospital that we give them information about when they can expect to go home. For outpatients we needed to ensure that communicate the right information at the right time , whether that is before their appointment or after they have arrived.

What were our goals for 2012-2013?

Undertake a comprehensive review and revision of the patient information literature to ensure that accurate information is available for patients on admission about what they can expect during their hospital stay.

We said that 90% of our patients will have had an expected date of discharged communicated across the healthcare team. This information is gathered from our Patient Status at a Glance screens and discussed on daily board rounds.

We said that patients attending for an appointment receive timely and accurate notice of their appointment and that once they have arrived at the department they were kept updated about what they can expect to experience. We said that we update our patient experience survey to capture this information directly from patients. This information is gathered from our Outpatient survey results

We also said we would improve our Outpatient waiting area signage .

What have we achieved?

- 100% of patients have an Expected Date of Discharge (EDD), however we need to do more to keep patients updated.
- The Patient Information Panel was re launched and working with the Library services is developing database of patient information which is accessible, evidenced based and quality assured.
- Monthly outpatient patient feedback surveys have been completed which show a consistent improvement in the areas in which the trust have performed poorly in the 2011 National Outpatient survey.
- Patient representation on the Booking and Scheduling Project Board and patient representatives undertaking observation of care in outpatient's areas.
- Patient journey through outpatients reviewed at PRH, signage and waiting areas re configured as an outcome.
- Patient representatives involved in the development of clear outpatient action plans to improve the patient journey.

What more do we need to do?

There are many further opportunities for improving the patient journey and just because we have achieved the points above does not mean we should stop striving for best practice in this area. Our increased focus on improving patient flow in our hospitals has highlighted several areas to prioritise for improvement over the coming months. From the patient's entrance to the hospital via the Emergency Department or assessment areas to their discharge from our wards we have identified opportunities for improvement. A key theme from this has been the planning and execution of the discharge process which is why we have included this as a priority for the year ahead. Discharge should be safe and effective every time and we must make this happen.

With relation to the outpatient journey we will continue to work with our patient representatives to develop ways of improving patient flow within the outpatient department. We

will also engage with hard to reach community interest groups, such as young carers, to seek out their experiences of outpatients and how we can improve our services to them.



1.2 Our Quality Priorities for Improvement for 2013 - 2014

How we developed our Quality Priorities for 2013/14

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

	Patient Safety		Clinical Effectiveness	Patient Experience	
	Reducing inpatient falls resulting in serious harm	Preventing avoidable pressure ulcers	Safe and effective discharge every time	Communication with relatives and carers	Non inpatient patient experience
Why is this a priority?	Although we have successfully reduced our overall falls 2 years in a row and achieved our goal for reduction in falls resulting in serious harm last year, there is still work to do to reduce these falls further and to address some common themes.	Although much work has been done to eliminate grade 3 and 4 pressure ulcers and reduce grade 2 ulcers, we still have not achieved our goal in this area. Therefore we must continue to prioritise this very important work until we achieve success.	We have experienced increased pressure on our emergency services which in turn means that the flow of patients through the hospital on their journey of care has been affected. Discharge can often be a complex process, requiring several processes to be followed by our staff and other partner organisations. We know that we do not always discharge our patients well and must work hard to ensure that discharge is safe for patients and their carers.	We know that through our complaints, feedback and patient experience work and also through our inpatient survey that we need to improve on the information we give relatives and carers. This may be about discharge or about patients conditions and ongoing care, where to access help and support if you care for someone with dementia, or even about visiting in hospital and what to expect.	Much of our patient experience work involves inpatient areas and whilst this is highly valuable and must continue we also need to ask our patients in other areas of the hospital what their views are and get their feedback on the service they receive.
Where are we now?	We achieved the reductions we set out to do in last year's quality account and through the increased focus on falls resulting in serious harm have identified key trends and themes that will form the focus of our work over the coming year.	Last year there were 28 grade 3 and 13 grade 4 ulcers that were acquired by patients while under our care. A further 2 grade 3 pressure ulcers were agreed with our commissioners as being unavoidable and 15 and currently still undergoing the ratification process (with a further 2 still going through internal verification).	A comprehensive work plan is underway to improve the flow of patients through the hospital and to support and train our staff to ensure we achieve safe, timely and effective discharge. Estimated Dates of Discharge are identified and recorded on our PSAG system for discussion on the daily board round that occurs on our wards.	Our patient experience work currently involves patients only and we need to extend this work to include carers and relatives.	We have extended our "Friends and Family test" into areas such as the Emergency Department and will be looking to extend this to other areas over the course of the year.
What are our plans for 2013-2014?	<ul style="list-style-type: none"> Reduce fall resulting in serious harm by 2.5%, by implementing falls action plan. Deliver the actions within the corporate falls action plan which covers the trends and themes identified, eg; <ul style="list-style-type: none"> Ensure we improve our processes for the use of bedrails. Standardise our handover processes between nursing shifts Develop a falls service to support the above plan and provide expert advice and training 	<ul style="list-style-type: none"> Eliminate grade 3 and 4 pressure ulcers Reduce grade 2 ulcers by 50% 	<ul style="list-style-type: none"> Improved discharge policy by Summer 2013 Strengthened discharge team Discharge training for every registered ward nurse by March 2013 Improved discharge information for patients and relatives Faster internal processes for simple and complex discharges Audit that patients receive discharge information, achieving 80% compliance Discharge checklists will be completed for every patient being discharged from our wards <p>We will report these results in our monthly quality report to the Quality and Safety Committee, and to our Commissioners through Clinical Quality Review meeting.</p>	<ul style="list-style-type: none"> Develop a suite of literature/information for relatives and visitors. Expand our patient experience work to include relatives and carers by developing a range of questions similar to those used in our Ward to Board survey Ensure relatives and carers are represented on our Patient Experience and Involvement Panel Ensure that we signpost carers of those suffering from dementia to access help and support services. <p>We will audit this and will report these results in our monthly quality report to the Quality and Safety Committee to ensure that we are supporting people enough in these areas.</p>	<ul style="list-style-type: none"> Continue to roll out our Ward to Board nursing care and patient experience metrics into the following non inpatient areas by October 2013 <ul style="list-style-type: none"> Renal Unit Outpatients Department Fertility Unit Paediatric Wards Neo-natal Unit Improve our Patient Experience and Involvement Panel work in non inpatient areas and also involve our staff in these areas in developing metrics <p>We will report these results in our monthly quality report to the Quality and Safety Committee, and to our Commissioners through Clinical Quality Review meeting.</p>

1.3 Other Quality Measures Which Remain a High Priority

Hospital Standardised Mortality Ratio (HSMR)

Understanding mortality and how do we measure it

With the type of acute care hospitals such as ours provides it is expected that some patients will die. We actively monitor our mortality rates using three measures:

- The Hospital Standardised Mortality Ratio (HSMR) (1). This is a national measure and an important means of understanding our mortality against other similar hospitals
- The Standard Hospital Mortality Indicator (SHMI). This is a new national measure that is being phased in, it is similar in many ways to the HSMR but also includes patients who die within 30 days of being discharged from our hospital
- Crude Mortality. This is a local measure and includes all deaths in our hospital

We report SHMI, HSMR and Crude Rate of mortality to the Trust Board as well as to the Quality and Safety Committee on a monthly basis.

What were our goals during 2012/13?

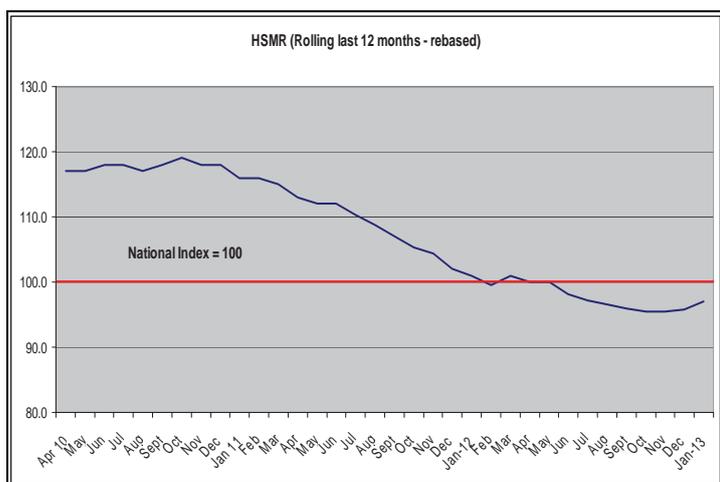
In 2009/10 the Trust was an outlier in the 2011 Dr Foster Hospital guide and we knew there were no quick fixes to this problem. Over the last 2 years we have set ourselves 2 major objectives relating to mortality.

- Reduce our HSMR to the National index by October 2012
- Reduce our crude mortality by 350 fewer deaths within 2 years. This ends in June 2013.

Where are we now?

We have made significant progress in reducing mortality at Shrewsbury and Telford Hospitals and we have shown this in both our mortality measures that we report to the board each month.

The HSMR was reduced to the national index in February 2012 and continued to reduce to where it is now, at around 95 – 97. Although this is quite an achievement there is much still to do.



At the end of last year we were progressing well against our crude rate of deaths objective and this has continued into this year as well. As it stands in February 2013, we have achieved 336 less deaths and we have every reason to expect we will achieve this tough objective we set ourselves.

The most significant element about both these measures is that taken together they prove there has been a tangible reduction that has been achieved by real improvements to patient care.

What more can we do?

There has been much that the Trust has achieved in relation to improving patient care and achieving both tough objectives we set ourselves. As part of the Leading Improvements in Patient Safety (LIPS) and a joint approach with the West Midlands Mortality Group (WMMG) we had a drive to improve in-hospital mortality through the implementation of care bundles focused on specific diseases, these include tackling sepsis and pneumonia which are significant causes of in-hospital deaths. This has been successful and we must now turn our attention to working with the Clinical Commissioning Groups and Community Trust in reducing our mortality further.

The reason for this is that we have identified that the Summary Hospital Mortality Indicator (SHMI), a new measure of mortality that has replaced the HSMR as the standard national mortality measure, has not reduced in the same way as the Crude rate of deaths or the HSMR measure, but shows our Hospital as being slightly worse than the National Index. Although we are within “expected range” for mortality, we are committed to sustaining our focus in this area this coming year.

As part of this we have formalised our Mortality Group and widened it to include Clinical Governance Leads from all Centres in the Trust in order to share and collectively drive improvements focussed on SHMI. SHMI information can be found on page 24

Cleanliness and Hygiene

Patient Environmental Action Team (PEAT) Inspections

The formal PEAT assessments for 2012 were undertaken on 6 February 2012 at PRH and 28 February 2012 at RSH and results reported in July 2012. A patient representative and an external validator joined us on both assessments.

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

Area of Performance:	Environment and Cleanliness		
Metric (Method of Calculating Performance):	Environments/Cleanliness as assessed by the Environment Action Team (PEAT) including a Patient Representative and PEAT Validator		
We are pleased to report the following scores for Environment, Food and Privacy and Dignity for 2012			
Site Name	Environment	Food	Privacy & Dignity
Royal Shrewsbury Hospital	Excellent	Excellent	Excellent
Princess Royal Hospital	Excellent	Excellent	Excellent

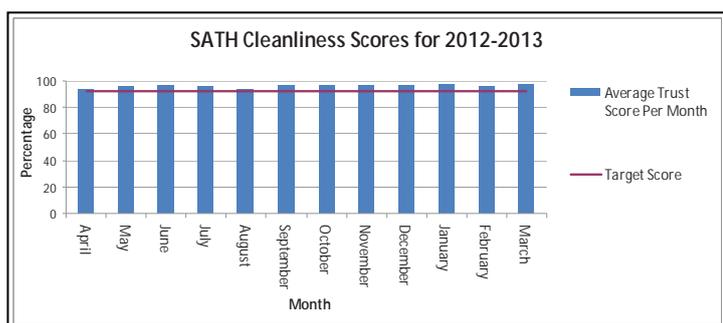
From 2013 the PEAT assessment programme has been replaced with the Patient Led Assessment of the Care Environment (PLACE) programme. The key change to the assessment format being to give patients a real voice in assessing the quality of the healthcare environment.

The assessments will be carried out between April and June and the results will be announced to Trusts and available from the Health and Social Care Information Centre from September 2013.

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

Cleanliness

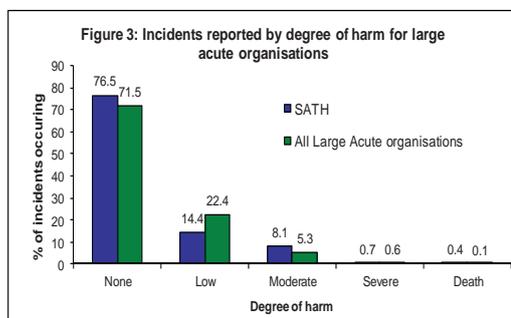
Audits of environmental cleanliness standards in wards and other hospital areas are undertaken by the Domestic Services Monitoring Team. Our cleanliness scores are measured against the National Standards of Cleanliness and have remained high at 96% for the year from April 2012 to March 2013. A breakdown of the scores can be found below:-



Patient Safety

The Trust recognises and values the importance of a culture where staff understand the need to report any incident affecting either patients, staff or environment. By investigating each incident, the organisation can see what they need to do to improve and also identify trends and themes that need particular focus and development of action plans

Nationally across the NHS, 67% of incidents are reported as no harm and just under 1% as severe harm or death, for Large Acute Trusts, 71% of incidents are reported as no harm and just under 1% as severe harm or death. However, not all organisations apply the national coding of degree of harm in a consistent way which can make comparisons of harm profiles of organisations unreliable.



In 2012/13 reporting to the National Patient Safety Agency (NPSA—via the NRLS) is a voluntary system (except for certain categories of very serious incidents), but is considered good practice. The Trust reports incidents to the NRLS regularly throughout the year. This allows the Trust to compare SaTH's reporting rate to other Trusts within the large Acute Trust cluster.

The number of incidents uploaded to the NRLS has increased slightly from the previous report. The Trust has overall, a slightly deteriorated performance in reporting compared to other large Acute Trusts shifting from the top third of reporters to the middle third.

Serious Incidents

Since January 2011 the Trust has encouraged the reporting all incidents using the Datix system and emphasised the importance of reporting Serious Incidents (SI). This has been reflected in an increase in the number of SI's reported year-on-year. Trends and themes within the Serious Incidents are monitored and offer opportunities for targeted improvements, such as pressure ulcers and falls prevention.

In 2012/13 the Trust reported 174 Serious Incidents of which 2 were categorised as Never Events. While this is an increase in the number of Serious Incidents from 2011/12 it has not incorporated a Trust ratified total of 10 unavoidable pressure ulcers, and a possible further 6 that are still in the process of being ratified by our commissioners. Following ratification unavoidable pressure ulcers can be subtracted from the Trust's overall total of Serious Incidents as well as the hospital acquired pressure ulcer total.

The decrease in the number of Never Events, particularly in the Ophthalmology service, evidences the improvements in clinical process and practice supported by a robust auditing process.

In line with policy each Serious Incident is investigated fully with an Root Cause Analysis and action plan for improvement developed. Action plans belong to the appropriate Centres and are monitored for completion within the designated time frames through centre governance meetings and the High Risk Scrutiny Group.

Safeguarding Vulnerable Adults

The Trust continues to provide safeguarding adult protection training for all patient handlers and has achieved 70% overall compliance with training attendance across all relevant staff groups.

The Trust has instigated one hundred and eleven referrals against external agencies including individual relatives and carers from April 2012 to March 2013.

From April 2012 to March 2013 there have been seventy seven adult protection referrals raised against the Trust, this included a significant increase in referrals in March 2013 (seventeen in total), the majority of referrals cited the allegation of neglect with regard to the discharge of the patient. Over half of the referrals were not substantiated however the initial concerns were important enough to raise a referral.

The Trust has welcomed working with our partners in the community including the safeguarding teams of both Shropshire and Telford and Wrekin Councils and also the Clinical Commissioning Groups. A task and finish group has been established to examine the referrals, actions that have been taken and lessons learned. It will also look at the appropriateness of the referrals.

In response to the concerns relating to discharge, a letter from the Chief Nurse has been sent to all Ward Managers, Senior Nurses and Matrons to emphasise that all staff are supported to say no if they feel a patient is not ready to be safely discharged despite the pressures within the Trust around patient flow. This

letter implements the "Safety Pause" which allows and encourages clinical staff to stop and protect time to ensure that patients are discharged or transferred safely.

Patient Services

The Patient Services team consists of staff handling complaints, comments, concerns and compliments, as well as providing bereavement services and overseas visitors assessments.

In addition to offering meetings to discuss the outcome of complaints, more cases are being identified as likely to benefit from an early meeting, pre-dating a written reply. These cases are picked up at the point of triage and include cases where there is a recent bereavement, on-going inpatient care, post-natal issues and complex admissions.

Feedback also continues to be received via a number of avenues, including the Trust's website, patient feedback websites, the complaints email address and via the PALS team (Patient Advice and Liaison Service). Feedback consists of not only complaints but also comments and suggestions, concerns and compliments. All feedback is disseminated to the relevant staff for their information and action as required and is acknowledged by either the Patient Services team or the Chief Executive.

The complaints team continues to be a key part of the Patient Services Team. In 2012, we increased the number of staff supporting complaints, and also recruited to a new position of Complaints Manager. In order to provide a better service to our patients and relatives, the team have relocated to the ward block, to place them in an easily accessible location. This also places them closer to the PALS team, which has improved communication and joint working.

Complaints, Comments and Compliments

In 2012/13 2,505 contacts were handled by the PALS staff and between 800- 1200 compliments were received during each Quarter.

	2011/12	2012/13
Total number of complaints	737	671
Response within 6 months (26 weeks)***	99%* (96.8%)**	91.65%* (89.12%)**
Cases referred to PHSO	47	21
For (on-going/further) local resolution	14	4
No Further Action – confirmed	24	17
Referrals resolved with intervention	0	0
Referrals accepted for investigation	0	0
PHSO referrals upheld against the Trust	1 (2010 investigation)	0

* This relates to cases where the first and only response took over 26 weeks.

**This includes cases that received more than one response, the final response being later than 26 weeks.

***The NHS Complaints Regulations 2009, require at section 14 that if a response is not provided within six months of the date of receipt of a complaint, the Trust must notify the complainant in writing accordingly to explain why and provide a response as soon as reasonably practicable after that time.

An area which has seen a drop in performance is our response to complaints within 6 months. There are a number of reasons why a complaint may not result in a substantive response within six months of receipt, however we recognise that we need to return performance to 2011/12 levels. It is expected

that in strengthening the team, and the appointment of a Complaints Manager, we will see the necessary improvements. In respect of timescales in general, there needs to be a scale that allows for prompt turnaround of straightforward concerns and longer more detailed investigation for complex cases.

Top 3 Complaint Categories

	2011/12		2012/13
Care, monitoring, review delays	153	Care, monitoring, review delays	119
Appointment problems	126	Appointment problems	105
Communication with patients/carers	80	Communication with patients/carers	102

Top 3 Areas for Complaint

	2011/12		2012/13
Outpatients	190	Outpatients	143
A&E	78	A&E	66
Car Park	25	MEC/MAU	29

Ratio of Complaints to Activity

Quarter 1	2011/12*	2012/13
Patient Activity	134,099	138,894
Number of Complaints	164	173
Rate per 1,000 spells	1.22	1.25
Quarter 2		
Patient Activity	138,723	140,694
Number of Complaints	171	165
Rate per 1,000 spells	1.23	1.17
Quarter 3		
Patient Activity	143,041	141,826
Number of Complaints	200	147
Rate per 1,000 spells	1.40	1.04
Quarter 4		
Patient Activity	137,808	136,576
Number of Complaints	202	186
Rate per 1,000 spells	1.47	1.36

*Following a review of the information collected and reported in last year's Quality Account for this section, an improved method of data collection was identified. This new method revised the overall figures

CQC Annual Inpatient Survey

The Annual Inpatient survey (published on the 16th April 2013) provides some disappointing results for the organisation.

The Inpatient survey reviewed the experience of 850 Individuals who attended for an Inpatient during August 2012.

These survey results need comprehensive consideration to ensure that improvements are made and that patients report those improvements through our monthly patient experience metrics as well as through other patient experience feedback processes.

The results need consideration alongside our operational performance and capacity action plans, as many of the areas demonstrate the impact that the flow of patients through our hospitals is having on the patients waiting within A&E and awaiting a bed. However, the core of this survey is about our support and communication with patients which we need to review and be clear about how we will improve.

Overall the patient experience survey demonstrates that the trust has scored poorly in comparison the previous year's results in the following sections

- The Emergency Department
- Doctors
- Leaving hospital
- Overall experience

Within the other six sections we scored about the same as the other trusts. In no section did the trust perform better than the other trusts.

	CQC Inpatient Survey 2011		CQC Inpatient Survey 2012	
	Published April 2012		Published April 2013	
	502 patients who were inpatients in June, July or August 2011		516 patients who were inpatients in August 2012	
	Comparison with other Trusts in England		Comparison with other Trusts in England	
The Emergency/ A&E Department				
Waiting lists and planned admissions				
Waiting to get a bed on a ward				
The hospital and ward				
Doctors				
Nurses				
Care and treatment				
Operations and procedures				
Leaving hospital				
Overall views and experiences				

Following the publication of the 2011 survey, the corporate nursing team working with the bed holding clinical centres developed an action plan to address the areas highlighted for improvement.

Key areas identified previously

- Wait time in A&E department
- Access to the waiting list
- Patient experience on the ward
- Information given to patients
- Leaving the hospital and the discharge process

The 2012 survey has highlighted similar areas for improvement and demonstrates the need for a different approach to improvements and also a review of this feedback in conjunction with the staff survey results and the operational performance with patient flow and particularly the consistently highlighted area of experience with patient discharge, hence why this is a priority for the year ahead.

The results of the survey are currently being disseminated to the clinical centres and our Patient Experience and Involvement Panel. Actions are being identified and will form part of the plans for 2013/14.

Patient Flow – Right Patient, Right Place

Right Patient, Right Place is the number one priority for the Trust as getting this right for patients has a positive impact across a broad range of quality and experience indicators. Increased levels of A&E attendances have put significant pressure on the hospitals, which has sometimes resulted in longer than expected waits in A&E, delays in patient flow and

cancelled operations. This has also been exacerbated by delays in discharging patients with complex care needs and we have been working with the local health and social care economy to make improvements across this issue.

The key issues we face are managing the volume of emergency admissions, discharging those patients who need additional support to leave hospital in a timely fashion and ensuring that we do not cancel operations unnecessarily.

At the Trust a group of senior doctors, nurses and managers have met to get a better understanding of the difficulties we have faced in getting planned surgical patients in to hospital during the winter while managing the overall increase in demand for emergency care. It was acknowledged that the Trust did not have enough beds to manage both emergency and elective demand. We then developed a number of ideas that would help to release acute hospital beds for acutely ill patients.

- Utilising beds in the community for patients waiting for their packages of care or for their home of choice to become available
- Continuing to monitor the number of 'Fit for Discharge' patients and work with others to reduce.
- Ensuring elective day case medical patients do not come into inpatient beds, but are placed in day case beds instead
- Changing the use of Day Surgery to provide short stay surgery beds
- Swapping the locations of AMU and SAU at RSH to improve the configuration of these services.
- Making Ward 22E at RSH and Ward 12 at PRH permanent wards rather than escalation areas to increase the Trust's permanent bed capacity
- Establish a Clinical Decision Unit at the Royal Shrewsbury Hospital to manage patients who do not need to be admitted to hospital, but still need further investigation before being discharged
- Improving discharge skills and competencies to support timely discharge

In the coming year, we will continue to review and assess the benefit of the changes that have been made, and strive to make further improvements to patient flow. The Trust continues to adapt its services and configuration in order to meet the needs of our patients through the on-going Future Configuration of Hospital Services plan.

Reconfiguration of Services

Our goal in 2012/13 was to ensure we gained the final stage of approval and funding for our plans to keep services in the county. This was achieved with the formal approval of our Full Business Case for the Future Configuration of Hospital Services by the then emerging Clinical Commissioning Groups, the PCT Cluster and NHS Midlands and East.

Key to this approval was the continued involvement and engagement of clinicians, staff and managers in the development of the new models of cares, patient pathways, workforce models and new ways of working as well as the design and development of the new facilities at both sites.

On achieving this goal, our aim of consolidating Surgery at



Shrewsbury ahead of our original timescales could be implemented and in order to maintain the 'balance' between our hospital sites we were also able to accelerate the move of Head and Neck Services to Telford.

Our goal and commitment of involving, engaging and informing our patients, their families and the public on the changes to our hospital services continued in 2012-2013 and included Focus Groups, attendance at community groups, newsletters, adverts in the local press and radio and television interviews.

In 2012-13 we achieved:

- Final approval of new models of care, patients pathways and new ways of working within Surgery, Head and Neck and Women and Children's Services
- Approval and funding of the Full Business Case for the Future Configuration of Hospital Services
- The consolidation of Surgery at RSH and Head and Neck at PRH
- The creation of a new Surgical Assessment Unit and Surgical Short Stay facility at RSH
- The development of new outpatient and inpatient Head and Neck facilities at PRH, with improved new en-suite facilities for patients with cancer
- Enabling works at PRH to make way for the construction of the new Women and Children's Unit – this involved moving and relocating Medical Records, Hospedia and Children's Outpatients as well as the Helipad a short distance
- A new car park at PRH, increasing car parking spaces at the site and returning the main front car park to patients and visitors only
- The start of the construction of the new Women and Children's Unit which will continue until May 2014
- Progression of the plans for the new facilities at RSH including a new Women's Zone (to include a new Midwife Led Unit, Maternity Outpatients and Scan, Antenatal Day Assessment and Early Pregnancy Assessment) and a new Children's Zone (to include a new Children's Assessment Unit and Children's Outpatients)
- Progression of plans to refurbish areas at both sites associated with the move of Women and Children's Services

In the coming months, we will continue to progress the implementation of the changes to Women and Children's Services. This will include:

- Detailed operational planning within Women and Children's Services and across the Trust to deliver a reconfigured service including delivery of our workforce and training plans
- Ongoing engagement and involvement with staff, patients and the public in all areas of change from patient pathways and public information to the design of new patient areas and artwork
- Building works at both sites to create the new facilities associated with the planned changes
- Providing detailed updates to the Joint HOSC and CCGs as part of the ongoing assurance process
- Developing and progressing ideas to help current and ex-staff alongside our patients and their families celebrate the old service and building and welcome the new

Education and Learning

A Fundamentals of Care training day is being launched this year for all ward based registered nurses in order to ensure that we deliver focused education on the direct care issues that really matter to our patients and staff. Staff have fed back to us that they would find this training highly valuable and we have made every effort to ensure that it is interactive, interesting and above all relevant to clinical practise.

The day will feature a video of examples of good and poor practice which nurses are then required to critique using the 6C's methodology. We look forward to feeding back on the success of this new training in next year's Quality Account.

Staff at all levels and in all roles, clinical and non-clinical, need to be skilled, knowledgeable and up to date about the most effective ways of caring for our patients. Education and learning is a valued and key activity in the organisation as a way of supporting staff to improve the quality of the service they deliver and the outcomes for patients.

During 2012-13 we:

- supported 161 staff to complete vocational qualifications in subjects such as Care, Physiotherapy and Occupational Therapy support, Business and Administration
- increased our focus on leadership and management

respectful and challenging conversations which support personal accountability

Workforce



development with over 182 places being taken up on leadership training programmes or accredited courses of study

- enabled over 100 staff to take up coaching support from an accredited coach
- extended the education services available to staff to ensure evidence based practice
- reviewed our personal and patient safety related training and put an improvement plan into place
- enabled over 80% of staff to take up learning opportunities

2012 and early 2013 saw us change our approach to Workforce, with very positive results:

- Through the Leadership Academy over 40 people have undertaken Leadership Development thanks to our partnership with Warwick University.
 - We have developed an Apprenticeship programme allowing individuals to undertake work-based training programmes throughout the organisation.
 - Working with the Princes Trust we have introduced a work experience programme that engages young people in careers in the NHS.
 - We have 15 internal qualified coaches, providing support to a range of staff and a further cohort of coaches are due to conclude their training in 2013.
 - We have focused efforts on promoting Health and Wellbeing — we held Health and Wellbeing Roadshows, Zumba classes and launched the A Healthier You intranet pages. To support managers we have appointed a Wellbeing and Attendance Advisor.
- We held our first Leadership Conference which nearly 200 people attended.

During 2013-14 we will:

- Review and further increase our leadership development activity to recognise that high quality leadership needs to be supported at all levels of the organisation
- Introduce a mandatory Essentials of Care programme for all nursing staff
- Increase the take up of e-learning to enable staff to make the most of this resource
- Work with managers to ensure that they are able to access timely data to ensure their staff have undertaken all required learning
- Hold a second SaTH Leadership Conference available to all staff which showcases best practice and evidence-based leadership
- Improve our Appraisal process to ensure that it reflects Trust Values
- Support a second cohort of staff to achieve an accredited coaching qualification that results in honest, open,

Looking to the year ahead it is important that we focus on building on these achievements to ensure that as an employer we are providing a positive experience for staff ensuring that staff are proud to work with us. This will be achieved through supporting staff in their roles to deliver or support the delivery

of excellent patient care improving the patient experience. In 2012 the Staff Survey was sent to all staff and we saw a 57% response rate — a total of 2,910 individuals. The results for Staff Engagement demonstrate that overall our scores are worse than the national average; however within this the number of staff reporting that they are able to contribute towards improvements at work has increased from 53% in 2011 to 60% in 2013. Other areas of improvement include Staff Job Satisfaction and the number of staff receiving appraisals.

However there remain key areas of focus for the Trust

Place staff want to work and recommend for treatment – in 2011 the Trust score for this finding was 3.31 (out of 5) but has fallen this year to 3.27 whilst the national average for acute Trust is 3.57.

Develop and enhanced Leadership in line with Trust values – as above the number of staff stating that they are able to contribute towards at work has increased (although the national average is 68%. Unfortunately the percentage of staff reporting good communication between senior management and staff (19%) is significantly less than the national average (27%).

Health and Wellbeing of all staff is a priority – 30% of staff report that they believe the organisation takes positive action on health and well being compared to the national average of 43%.

Having taken the opportunity to survey the whole workforce in 2012 the detailed responses have allowed us to review results by individual Care Group and Centre. Each Centre has identified their top three areas for action in addition to the Trusts key areas above to target and focus developments and



enhancements to staff needs.

During 2013 we have an ambitious agenda including:

- Further Leadership and Management Development
- Organisational refocus to support the development of Care Groups and ensure that our Workforce Directorate is appropriate aligned to support these teams.
- Expansion of our Staff Engagement model to ensure that staff are involved in decisions and communicated with effectively.
- A new recruitment process to ensure we have the right person in post at the right time.
- Further training opportunities available on E-Learning.
- Implementing an electronic bank staff system to support our temporary staffing needs.
- More Health and Wellbeing Roadshows.
- A second Leadership Development Conference.

Understanding culture and learning from the Francis Report

Culture

It is so important that we ensure that all staff across the Trust believe in and live to our Trust values. We plan to review our Trust values this year to ensure that they are up to date and meaningful. We will then support and engage with our staff to help them to input to and understand these values which will drive everything we do.

To ensure these values are embedded for the future we will be developing a values based recruitment process in order to ensure that we recruit the “right person” to our roles. For nursing posts this will encompass the 6 C’s approach as laid out by Jane Cummins, Chief Nursing Officer for England.

The Francis Report

In 2011 the Board considered the key themes and actions arising from a series of national reports (including the first Francis report) and the recommendations arising from these and in January 2013 updated this to include The Winterbourne view report.

In 2012/13 there have been some key changes in Chief Executive and Executive Director roles and to support the review of the Francis report (2013) and the emerging response and recommendations by the Department of Health, the previous Board paper has been updated again to provide a high level overview of how we will as an organisation progress the key themes of the Francis Report.

The Statement of common purpose reflected in the Department of Health response to the Francis report is one that is core to the principles of the NHS Constitution. The Quality and Safety Committee have signed up to this statement and formally have asked the Board to do the same which responds to the DH request to sign up to the Statement of common purpose.

The Quality and Safety Committee will continue to monitor overall progress against recommendations and provide an overview to the Board on a six monthly basis, with an initial report being made by the Committee in May 2013.

1.4 Looking Ahead

Our fourth Quality Account aims to be honest and open with our performance over the last year and encourage scrutiny of the improvements we have made and those that we must achieve in the year ahead.

Our work with the local health and social care economy towards improving the flow of patients through our hospitals is starting to demonstrate improvements. However, we must continue to focus our efforts in this area and on the priorities we have set ourselves to ensure we achieve these key improvements.

Developing our Quality Accounts is always an ongoing valuable learning experience for the Trust and we view each year's account as an opportunity to improve and inform our stakeholders and the public about the quality of care and services we provide. Last year, our stakeholders told us that we had improved on the previous year in terms of presentation and accessibility and they would like to see us move more in this direction in 2012/13. We have responded to this by including more visual information and grouping it into sections to make it easier to read and understand. We will endeavour to further develop the accounts year on year, and we actively encourage your feedback. Please let us know your views, to help us enhance patient experience, safety and effectiveness.

Your Feedback Counts

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

By email to consultation@sath.nhs.uk – please put “Quality Account” as the subject of your email

By fax to 01743 261489 – please put “Quality Account” as the subject of your fax

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

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

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

Looking further ahead, we welcome your suggestions for our Quality Priorities in 2014/15 – we will select three to six top priority issues across the three dimensions of quality (patient experience, safety, effectiveness).



Part 2

Statutory Requirements



2.1

Key Performance Indicators reported and monitored by the Shrewsbury and Telford Hospital NHS Trust based on national and local priorities. The table below reports performance against these and against the previous year, with national information where it is a mandatory requirement*.

No.	Description of Target	2011/12	2012/13	National Average	Trust Target
Patient Safety Measures					
1	MRSA Bacteraemia (bloodstream) infections	2	1	-	2
2	Clostridium difficile infections	41	45	-	45
3	Clostridium difficile infections per 100,000 bed days*	-	11.86	6.52	-
4	Rate Surgical Site Infections per 10,000 Orthopaedic operations*	-	66.9	88.2	-
5	MRSA Screening Emergency Admissions	96%	92.82%	-	95%
6	MRSA Screening Elective Admissions	91%	93.35%	-	95%
7	Hand Hygiene	98%	99%	-	95%
8	Percentage of admitted patients risk assessed for Venous Thromboembolism (VTE)*	91.48%	90.08%	93.7%	90%
9	Reducing inpatient falls	1590	1538	-	-
10	Safe Surgery checklist compliance	99%	99.96%	-	100%
11	Rate of patient safety incidents per 100 admissions	6.66	6.85	6.81	-
12	Rate of 'serious harm' patient safety incidents reported per 100 admissions*	-	0.62	0.41	-
13	Number of patient safety incidents reported**	7800	7599	-	-
14	Number of patient safety incidents resulting in severe harm/death**	40	89	-	-
15	Percentage of patient safety incidents resulting in severe harm or death as a percentage of the number of patient safety incidents	0.51%	1.17%	0.7%	-
16	Avoiding preventable pressure ulcers (grade 3 & 4)	20	42	-	-
Clinical Outcome Measures					
17	Standard Hospital Mortality Indicator (SHMI)* (lower is better)	-	105.3	100	-
18	Percentage of palliative care deaths which is coded appropriately (at either diagnosis or specialty level)	17.36%	17.02%	-	-
19	2 week wait for cancer referrals	97.86%	96.00%	-	93%
20	18 week GP referral to first treatment - Admitted	94.48%	78.00%	-	90%
21	18 week GP referral to first treatment - Non Admitted	87.31%	95.08%	-	95%
22	Patient Reported Outcome Measure - groin hernia surgery*	-	39.4%	51.6%	-
23	Patient Reported Outcome Measure - varicose vein surgery*	-	56.3%	51.6%	-
24	Patient Reported Outcome Measure - hip replacement surgery*	-	100%	88.4%	-
25	Patient Reported Outcome Measure - knee replacement surgery*	-	66.7%	78.9%	-
26	Percentage of patients aged 0 - 14 readmitted within 28 days of discharge	9.3%	9.9%	-	-
27	Percentage of patients aged 15+ readmitted within 28 days of discharge	5.4%	5.4%	-	-
Patient Experience Measures					
28	A&E 4 hour wait	94.52%	90.62%	-	95%
29	Responsiveness to inpatients personal needs (maintain or improve) - CQUIN Score out of 100	64.3	62.1	68.1	Maintain or Improve
30	Staff survey - Percentage of staff who would recommend the Trust to friends or family needing care	-	50.9%	62.8%	-

- Data is not required or is not available *source—Methods Insight quarterly Acute Trust Quality Dashboard

** Oct 10 - Oct 11 & Oct 11 - Oct 12

2.2 Statements of Assurance

Progress and achievement of this year's quality priorities will be reported to the Quality and Safety Committee which is a formal subcommittee of the board, externally to commissioning groups via the Commissioning Quality Review meeting and in the 2013/14 quality account

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

Patient Experience

Our improvements against the priorities will be monitored by our Patient Experience and Involvement Panel who will receive reports on progress and results of patient experience surveys and audits throughout the year. The Quality and Safety Committee will receive a summary of progress and will hold us to account for delivery of the priorities relating to patient experience.

Our performance against measuring and improving patient experience will also be reported to our commissioners through the Commissioning Quality Review meeting on a monthly basis.

Patient Safety

Our 2 key safety priorities of pressure ulcer elimination and falls reduction will be monitored by the specific task group for each which will also support the delivery of the work that needs to be done. These and a range of safety metrics are presented and discussed by clinical centre senior nurses at the Nursing and Midwifery Forum where peer and corporate challenge is given and actions for improvement agreed. The Quality and Safety Committee will receive information regarding to performance and progress in the monthly quality report. The quality report contains a variety of metrics relating to patient safety which are carefully monitored and challenged by the committee who conduct a visit to a clinical area to gain further assurance on a monthly basis. Our quality report is also shared with commissioning groups and forms the basis of discussion at the Commissioning Quality Review meeting.

Clinical effectiveness and outcomes

We recognise that the priority to improve discharge really matters to patients and their relatives or carers. We will monitor our progress in this area closely and ensure that we foster a partnership working approach to ensure that we make improvements in this area. Reporting against our performance in this area will be at many levels throughout the Trust from Ward to Board level and externally to the Trust through commissioners and other stakeholders.

Progress and outcomes of clinical audit continue to be shared across the Trust and compliance with NICE guidelines and Technology Appraisals (TAG) is reported both internally and externally to commissioning groups.

Review of Services

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

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

During 2012/13 the Shrewsbury and Telford Hospital NHS Trust provided and/or subcontracted the full range of services for which it is registered NHS Services (these are detailed in the Trust's Annual Report 2012/13 or via our web site).

The Trust supported a number of reviews of its services during 2012 and 2013. These were undertaken by external organisations and included:

- *The Care Quality Commission*
- *Annual Cancer Peer review*
- *Royal College of Ophthalmology: Cataract pathway review*
- *Ofsted/CQC review of children's safeguarding services*

The Trust did not formally review any of its own services however, did review and support individual wards on a quality improvement framework, reviewed patient flow processes and supported the Royal College of Ophthalmology review by sharing trust investigation findings. The Trust has reviewed all of the information available in relation to the services provided.



The following internal and external reviews took place during 2012—2013

Trust Wide Inspections CQC		Unannounced inspections were carried out on the Princess Royal Hospital site in May 2012 and at the Royal Shrewsbury Hospital site in August 2012. Reasons for the visits were; Princess Royal Hospital—part of the CQC routine schedule of planned reviews. Royal Shrewsbury Hospital—part of a follow up schedule of visits to the previous Dignity and Nutrition scheme commissioned by the Secretary of State. Both visits concluded that there were no longer any concerns regarding the care delivered against the assessed standards and all previous concerns were lifted. However, a further unannounced visit was carried out at the Princess Royal Hospital in April 2013 and the Trust is awaiting the formal report in relation to this.
Trust Wide NPSA PEAT Assessment		Formal annual assessment undertaken across both sites with an outcome of “excellent” rating
Medical Engineering Services		The department maintained its external audit success and compliance with the requirements of ISO 9001:2008 and on-going ISO 13485:2008
Trust Wide Pharmacy		Our pharmacy department was subject to a routine review by the British Pharmaceutical Society of Great Britain. The outcome of the review was that the services provided were satisfactory and no concerns were raised regarding the outcome of the visit.
Maternity		Assurance Visit (undertaken by Commissioners) took place in January 2012 with a particular focus on clinical governance arrangements, process for undertaking root cause analysis following serious incidents. The Trust received positive feedback.
Midwifery		Midwifery services are reviewed annually by the West Midlands Local Supervising Authority Maternity Officer (WM LSAMO) to ensure that the arrangements for and the execution of Supervision of Midwives are satisfactory. The Trust again received positive feedback highlighting the proactive approach to supervision within SaTH. SaTH will be exploring how to meet the recommended ratio of 1 Supervisor of Midwives to 15 practising midwives.
Paediatric Oncology		A Peer Review was undertaken in August 2012. SaTH scored 94.2% for core measures and 94.7% for MDT measures.
Paediatric Diabetic		A Peer Review was undertaken during 2012/13. Information for children, young people and their families was good. The information was comprehensive, clear and well-presented. No immediate risks were identified
Paediatric Cystic Fibrosis		A Peer Review was undertaken in March 2013. A number of areas of good practice identified as well as a 1 area for development.
Gynaecology Oncology		A Peer Review was undertaken during 2012/13. A number of significant achievements identified. No immediate risks or serious concerns raised, with a small number of areas for development identified.
Fertility		A HFEA visit was undertaken during 2012/13 with a full review scheduled for May 2013
Laboratory Services		There was a RSH Blood Transfusion laboratory inspection by the MHRA following the annual self-assessment return. The inspector was satisfied that the department was fully compliant with the Blood Safety and Quality Regulations 2005.
Ophthalmology		Royal College of Ophthalmology visit – 17th September 2012 – review Cataract pathway, procedures and processes by external clinical advisory team following series of Never Events being reported. Very positive report highlighting improvements made and areas of good practice
NHS Bowel Cancer Screening Programme (BCSP) Regional Quality Assurance visit		NHS Bowel Cancer Screening Programme (BCSP) Regional Quality Assurance visit Shropshire Bowel Cancer Screening Centre underwent its first 3 yearly visit. The purpose was to examine the performance of all aspects of the programme at screening centre and professional level as well as verification of achievement of national BCSP standards. All stakeholders involved with the service were reviewed. Excellent feedback overall with 13 points of good practice identified. The main recommendations focussed on elements to enable the implementation of the age extension.

WHO Safe Surgery Checklist		<p>As part of the World Health Organisation drive and in response to the Who Surgical Safety Checklist, theatres within SaTH undertake a monthly audit assessing theatre staff compliance for completing the Who Safer Surgery Checklist. This audit is undertaken in each theatre, 19 in total and includes a minimum of 10 patients per theatre per month. The audit is very specific and looks at staff undertaking the following tasks, prior to each patients operation:</p> <ul style="list-style-type: none"> • Team Brief • Time Out • Sign Out <p>The Trust consistently achieves 100% compliance with this audit.</p>
Telford & Wrekin Ofsted Inspection for Safeguarding Children		<p>As part of this inspection the CQC visited the Emergency Department at PRH and Wrekin Maternity In June 2012. Issues reported were inadequate safeguarding supervision for Emergency Care staff and reassurance that medical staff were all completing Safeguarding training. This has been addressed by ensuring that Safeguarding Supervision is in place for 2013 and all medical staff have been encouraged to undertake online safeguarding training.</p>
Cancer Centre Quality Management System		<p>The Radiotherapy Department has had BSI ISO 9000 certification since 1999 however this has been extended to include Chemotherapy. The Chemotherapy and Radiotherapy services were jointly certificated for ISO 9001:2008 in March 2012 and since then have had two further BSI assessment visits. The Jan 2013 visit offered particularly positive commentary and closed two minor non conformities so there are now no existing non conformities within the Centre. A comprehensive internal audit schedule is maintained as per BSI framework and results fed in to appropriate governance groups/sub groups for actions and quarterly reports provided for the SaTH clinical audit department. Off procedure events are reported/ actioned via the Quality Management System, thus maintaining an open and transparent system of clinical work. Work has now begun to construct a QMS for haematology with a view to BSI certification in 2014.</p>
2012/13 Annual Cancer Peer Review		<p>3 clinical teams have undergone external review in March 2013 as part of the Peer Review cycle of 2012/13. The final reports from which will follow on thereafter. 9 clinical teams underwent self assessment and 8 clinical teams underwent self assessment and internal validation. There were a considerable number of examples of good practice and significant achievements noted in the reports. These included recognition about recruiting into key vacant posts, ISO accreditation for the Oncology Chemotherapy service, undertaking audits, participating in clinical trials, improved data collection, developing new services e.g. one-stop and fast track clinics, improved patient outcomes and excellent patient information. There was only 1 serious concern noted by the Breast team in relation to the reconfiguration of the middle grade position as failure to replace these posts would restrict the ability of the Consultants to deliver an effective service. All concerns and serious concerns were discussed with the relevant Centre Chiefs and Centre Managers for their consideration and action. The serious concern was escalated to Executive level. A new process of ratification, communication and escalation was implemented for this cycle of Peer Review.</p> <p>The Cancer Value Stream meets with the clinical teams quarterly to discuss their Peer Review compliance and cancer target performance.</p>
Environmental Health Food Hygiene Inspection		<p>Environmental Health Inspections were carried out for both sites. We achieved a score of '4' for our Food Hygiene rating at the Royal Shrewsbury Hospital and '5' at the Princess Royal Hospital.</p>
Cleanliness and Patient Environment Audits		<p>Review of cleanliness assessed against the National Standards of Cleanliness carried out monthly Internal Patient Environment audits are carried out monthly</p>
Quality & Safety Committee		<p>Continue to support and receive feedback from quality and safety walkabouts and to receive and gain assurance relating to quality improvement frameworks.</p>

2.3 Participation in Clinical Audit

This section of our Quality Account provides information about our participation in clinical audit.

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

Clinical Audits

Section 2

During 1st April 2012 to 31st March 2013, 68 national clinical audits and 5 National Confidential Enquiries (NCEPOD) covered NHS services that the Shrewsbury and Telford Hospital NHS Trust provides.

Section 2.1

During that period the Shrewsbury and Telford Hospital NHS Trust participated in 63 / 68 [93%] of the national clinical audits and 5/5 [100%] national confidential enquiries which it was eligible to participate in.

Section 2.2

The national clinical audits and national confidential enquiries that the Shrewsbury and Telford Hospital NHS Trust was eligible to participate in during 1st April 2012 to 31st March 2013 [73] are listed at

http://www.sath.nhs.uk/Library/Documents/Clinical_Audit/OA%202012%2013%20TABLE%201.pdf

Section 2.3

The national clinical audits and national confidential enquiries that the Shrewsbury and Telford Hospital NHS Trust participated in between April 2012 and 31st March 2013 are listed at:

http://www.sath.nhs.uk/Library/Documents/Clinical_Audit/OA%202012%2013%20TABLE%202.pdf

Section 2.4

The national clinical audits and national confidential enquiries that the Shrewsbury and Telford Hospital NHS Trust participated in, and for which data collection was completed during 1st April 2012 and 31st March 2013 alongside the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry are listed at:

http://www.sath.nhs.uk/Library/Documents/Clinical_Audit/OA%202012%2013%20TABLE%203.pdf

Section 2.5

The reports of [5] national audits were reviewed by the provider during 1st April 2012 and 31st March 2013.

Section 2.6

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

http://www.sath.nhs.uk/Library/Documents/Clinical_Audit/OA%202012%2013%20TABLE%204.pdf

Section 2.7

The reports of [93] local clinical audits were reviewed by the provider during 1st April 2012 and 31st March 2013

Section 2.8

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

http://www.sath.nhs.uk/Library/Documents/Clinical_Audit/OA%202012%2013%20TABLE%205.pdf

Brief highlights include:

- Nursing documentation reviewed and implemented
- Radiographers training programme devised to ensure competency standards
- Role of Designated Professionals for safeguarding children and young people included in training presentations
- A new chest pain pathway has been introduced to enhance the treatment of these patients



2.4 Participation in Clinical Research

Research is a core part of the NHS, enabling the NHS to improve the current and future health of the people we serve.

What have we done?

The Shrewsbury and Telford Hospital NHS Trust works closely with the West Midlands North CLRN (Comprehensive Local Research Network) and the Topic Specific Networks to promote a robust research culture. We continue to be active offering patients opportunities to participate in studies in a wide variety of specialties. Overall recruitment is slightly lower than 2011/12 as a result of the national closure of several large cancer genetics studies which reached their required numbers.

We have improved our Trust approval process so that by the second half of 2012/13 all new studies completed the process within 30 days.

Processes have been put in place to facilitate recruiting the first patient within 30 days of opening a new study and work continues to improve on this.

Work has started on increasing engagement at all levels within the Trust and the public by promotional events, activity report to the Board and appointment of 2 lay members to the R&D Committee.

The number of patients receiving NHS services provided or sub-contracted by The Shrewsbury and Telford Hospital NHS Trust in 2012/13 that were recruited during that period to participate in research approved by a research ethics committee was 1273

Specialty	Total no of studies 2011/12	Recruitment 2011/12	Total no of studies 2012/13	Recruitment 2012/13
Cancer	33	624	24	301
Cardiovascular	2	47	3	137
Gastro-Intestinal	14	467	16	443
Stroke	3	62	2	32
Respiratory	3	19	1	1
Reproductive Health	3	10	3	30
Medicines for Children (inc non drug studies)	5	16	5	63
Renal	4	16		23
Surgical	2	7	1	6
Dementia	1	62		189
Dermatology	1	4	1	6
Other	1	54	4	42
Totals	71	1389	60	1273

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

A full list of recruiting studies is available from the Trust: research@sath.nhs.uk

The Shrewsbury and Telford Hospital NHS Trust also acts as a Continuing Care site for local children recruited into cancer studies at Birmingham, delivering all the treatment and follow up

care.

Active participation in clinical research demonstrates The Shrewsbury and Telford Hospital NHS Trust's commitment to improving the quality of care we offer and to making our contribution to wider health improvement.

The Shrewsbury and Telford Hospital NHS Trust employs 25 dedicated research nurses, allied health professionals, assistant research practitioners, data and administrative staff supporting the 32 Principle Investigators and many co-investigators.

What we will do in the coming year?

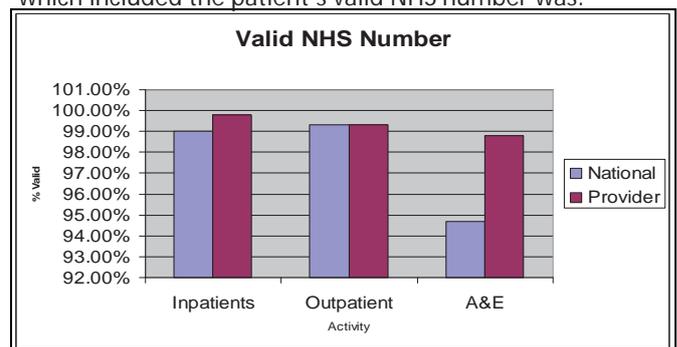
- Meet national target for study approval process time lines of > 80% gaining local approval within 30 days.
- Work towards > 80% of studies where annual recruitment target is 12 or more recruiting first patient within 30 days of approval.
- Support local Principle Investigators in becoming Chief Investigators for 2 or more multicentre studies
- Increase the number of commercial studies recruiting during the year from 7 in 2012/13 to 10 in 2013/14
- Open drug studies in haematological cancer and in emergency medicine.
- Increase engagement at all levels to promote research activity within the Trust

2.5 Data Quality

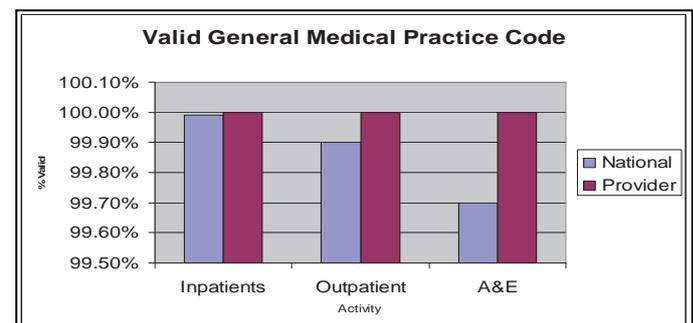
This section of our Quality Account provides information about data quality. Good quality information underpins the delivery of effective patient care and is essential if improvements in quality of care are to be made.

During the reporting period April 2012 to March 2013, the Trust submitted records to the Secondary Uses Service (SUS) for inclusion in the Hospital Episode Statistics.

The percentage of records in the published data (based on April-Jan 12/13) SUS data at the month 10 inclusion date) which included the patient's valid NHS number was:



Which included the patient's valid General Medical Practice Code was:



2013 will see some further investment in the Data Quality Team to continue with the existing programme of work. There have already been significant improvements in some key areas for example duplicate registrations have been reduced by 75%. All front line service areas have received training on how to validate patient demographics using the national spine, for data collection requirements.

Data Quality: Clinical Coding

The Shrewsbury and Telford Hospitals was subject to the Payment by Results clinical coding audit during the reporting period April 2012 to March 2013 by the Audit Commission and the error rates reported in the latest published audit for that period for diagnosis and treatment coding (clinical coding) were:

Primary Diagnosis incorrect	4.5%
Secondary Diagnosis incorrect	11.4%
Primary Procedure incorrect	14.3%
Secondary Procedure incorrect	4.1%

The performance of the Trust, measured against the number of spells with an incorrect payment, places the trust better than average, compared to last year's national performance.

Information Governance

Information Governance is the framework for handling information in a confidential and secure manner to the appropriate ethical and quality standards in a modern health service. It brings together interdependent requirements and standards of practice in relation to the IG initiatives

The IG Toolkit (IGT) is a self-assessment tool that sets the requirements and standards that NHS organisations need to

achieve to ensure it fulfils its obligations to ensure that information about patients and staff is handled legally, securely, efficiently and effectively. The purpose of the assessment is to enable organisations to measure their compliance against the law and central guidance and to provide assurance to its stakeholders. This in-turn increases public confidence that 'the NHS' and its partners can be trusted with personal data.

The current assessment has been submitted for March 31st 2013. The Trust has achieved a 'satisfactory' result as all the categories have at least a level 2 compliance score.

Initiative	Level achieved 2012	Grade
Information Governance Management	86%	Satisfactory
Confidentiality and Data Protection Assurance	87%	Satisfactory
Information Security Assurance	75%	Satisfactory
Clinical Information Assurance	80%	Satisfactory
Secondary Use Assurance	70%	Satisfactory
Corporate Information Assurance	77%	Satisfactory

Information Governance Training and awareness is ultimately about changing the way people behave: that is, about changing the way people think and act. To achieve that change in behaviour, all Trust staff are provided with regular IG training.



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

A proportion of Shrewsbury and Telford Hospital NHS Trust income in 2012/13 was conditional on achieving quality improvement and innovation goals agreed between Shrewsbury and Telford Hospital NHS Trust and any person or body they entered into contract, agreement of arrangement within England for the provision of NHS services, through the Commissioning for Quality and Innovation payment framework. Further details of the agreed goals for 2012/13 and for the following 12 month period are available electronically at:

http://www.institute.nhs.uk/world_class_commissioning/pct_portal/cquin.html

No	CQUIN Goal	
1	VTE. Reduce avoidable death, disability and chronic ill health from Venous-thromboembolism (VTE). 90% of admitted patients to have a VTE assessment every month.	Met
2	Patient Experience. Improve responsiveness to personal needs of patients. Maintain or improve upon 2011/12 survey results (64.3).	Not met
3	NHS Safety Thermometer. Improve collection of data in relation to pressure ulcers, falls, urinary tract infection in those with a catheter, and VTE.	Met
4	Improving Diagnosis of Dementia in Hospital. The use of a screening tool, a screening questionnaire and referrals to specialist dementia service.	Partially met
5	Medicines Management. Drug regime changes y/n (and reasons why), renal function and allergy status recording.	Partially met
6	Nutrition. Nutritional screening, assessment and delivery of an agreed individual action plan to maintain or improve an 'at risk' inpatients nutritional intake, protected mealtimes and red tray scheme.	Met
7	Pressure Ulcers. 2hr assessments, care plans, 0 grade 3 and 4 ulcers and compliance to pressure sore handbook.	Partially met
8	Net Promoter Question. Real time feedback to support the Patient Revolution work as embodied in the SHA Ambitions.	Met
9	Maternity. To achieve Baby Friendly accreditation for SaTH Maternity Service at level 2 by April 2014	Met
10	Making Every Contact Count. Development of MECC action plan with named implementation lead, training and increasing referrals to the 'stop smoking' service.	Met
11	VTE Prophylaxis. Percentage of adult inpatients assessed to be at increased risk of VTE who receive appropriate prophylaxis in line with the prescribed prophylaxis regime based on national guidance (NICE)	Met

There were goals relating to renal dialysis, neonatal care and organ transplants for our contract with Specialised Services, summarised in table below:-

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

During 2012/13 2.5% of our contract values with PCTs in England will be based on achievement of 11 CQUIN goals. As in 2011/12, VTE and Improving Responsiveness to personal needs of patients remain national CQUIN goals and are joined by national Safety Thermometer and Dementia goals. Local CQUIN goals are currently under discussion for inclusion in the 2013/14 contract. These are summarised in table below:

No	CQUIN Goal
1	Friends and Family. Phased expansion to include the Emergency Department and Maternity Services <i>National requirement.</i>
2	VTE screening performance target increased to 95%. <i>National requirement.</i>
3	NHS Safety Thermometer—using this prevalence audit to demonstrate a reduction in catheter associated urinary tract infections. <i>National requirement.</i>
4	Dementia. 90% of patients over 75 to be screened, risk assessed and referred on where appropriate, plus signposting to support for carers of people with Dementia. <i>National requirement.</i>
5	Medicines Management. Improved monitoring of antimicrobial use to contribute to C. Diff reduction and continuation of an element from 2012/13 schedule relating to discharge communication with GP's regarding the starting or stopping of medications.
6	Patient flow. To facilitate safe discharge and early transfer.
7	Organisational culture. Values based recruitment across agreed staff groups
8	Falls reduction. Reduction in falls resulting in serious harm.
9	Maternity. Continuation of 12/13 Baby Friendly initiative.

There are goals relating to renal dialysis and for our contract with Specialised Services, summarised in the table below.

No	CQUIN Goal
1	Friends and Family. Phased expansion
2	VTE screening. Phased expansion. Target increased to 95%.
3	NHS Safety Thermometer. Moved from local to a national requirement.
4	Dementia. Phased expansion.
5	Clinical Quality Dashboards across specified clinical specialities
6	Neonatal retinopathy
7	Radiotherapy IGRT
8	Renal patient view & Acute Kidney Injury

Further details are available on http://www.institute.nhs.uk/world_class_commissioning/pct_portal/cquin.html.

2.7 Care Quality Commission (CQC) registration and compliance

The Shrewsbury and Telford Hospital NHS Trust is required to register with the Care Quality Commission and its current registration status is registered without conditions.

The Care Quality Commission has not taken any enforcement action against Shrewsbury and Telford Hospital NHS Trust during 2012-2013 and the Trust is not subject to periodic review by the Care Quality Commission. The Shrewsbury and Telford Hospital NHS Trust has not taken part in any special reviews or investigations by the CQC under section 48 of the Health and Social Care Act 2008 during 2012-13.

This section of our Quality Account describes our registration with the Care Quality Commission (CQC), as well as any reviews they have undertaken of our services (either periodic reviews or special reviews). From 1 April

2010 all providers of NHS services are required to register with the Care Quality Commission. Registration provides us with a “licence to operate” to provide NHS services. To be registered, NHS Trusts must show that they are meeting essential standards of quality and safety. Compliance with these standards is monitored on an on-going basis by the Care Quality Commission.

Care Quality Commission Reviews

The Trust was reviewed by the CQC during unannounced inspections in May 2012 (PRH) and August 2012 (RSH). The reasons for the visits were; Princess Royal Hospital—part of the CQC routine schedule of planned reviews. Royal Shrewsbury Hospital—part of a follow up schedule of visits to the previous Dignity and Nutrition scheme commissioned by the Secretary of State. Both visits concluded that there were no longer any concerns regarding the care delivered against the assessed standards and all previous concerns were lifted. However, a further unannounced visit was carried out at the Princess Royal Hospital in April 2013 and the Trust is awaiting the formal report in relation to this.

Outcome	CQC Judgement	
	RSH	PRH
1: Respecting and involving people who use services	Compliant	Compliant
4: Care and welfare of people who use services	Compliant	Compliant
5: Meeting nutritional needs	Compliant	Compliant
7: Safeguarding people who use services from abuse	Compliant	Compliant
13: Staffing	Compliant	Compliant
16: Assessing and monitoring the quality of service provision	Compliant	Compliant



Annex 1

Statements from Local Involvement Networks, Health Overview and Scrutiny Committees and Primary Care Trusts

Telford and Wrekin Local Involvement Network

During the past year much has improved in the quality and care of the patients, this has been achieved under difficult operating circumstances.

We agree with the priorities & objectives for the coming year as outlined in the quality report. Working with all agencies within the NHS will help with the flow of Patients within the Trust

It has been disappointing that pressure sores, falls, and mortality rates, whilst they have fallen slightly have not made significant improvements

We would like to see a greater improvement in outpatient waiting times as it is a cause of concern for many people. We would like the Trust to implement mandatory training for all Nursing Staff in the areas of Dementia, Nutrition and the care of Patients with Frail and complex conditions. We would also like to see a more robust approach for dealing more swiftly with complaints.

We congratulate the Trust in making the quality accounts more user friendly

Shropshire Council Health Overview and Scrutiny Committee

The Committee was satisfied with the content of the Quality Account document, and agreed with the priorities set by the Trust, which mirror national health priorities in general. Members would like to commend the efforts taken by SaTH to engage with Shropshire's Healthy Communities Scrutiny Committee over the past 12 months, and were assured that this would continue to develop in the future.

The development of partnership working and integrated thinking is seen as key to the success for not just the Trust, but the whole health economy. With sustained high demand for unscheduled care, more and more pressures are being put on acute providers, but the developments being put in place by the Trust through its priorities will go some way to improving patient outcomes, developing servicing, and creating more efficient processes and protocols.

The Committee was reassured that the Trust was investing in staff training and that the 'Fundamentals of Care' were addressed for all ward staff to ensure improvements in patient experience, but also to enable staff to understand how their role impacts on patient outcomes. The Committee was disappointed with the outcomes of the Staff Survey and would request that Trust take on board the concerns raised through this document and work with staff to improve.

Following the Francis Report, the Trust has undertaken to improve its services and staffing to ensure patients are treated with dignity and care, and are assured a safe clinical pathway throughout their journey.

The Committee was satisfied with the content of the Quality Account, but stressed the need to provide an easy read version to engage with the public and raise the profile of the document for the future.

The Committee welcomed continued engagement with Healthy Communities Scrutiny Committee in the coming year.

Telford & Wrekin Council Overview and Scrutiny Committee

Reconfiguration

The Joint HOSC supported the Full Business Case for the reconfiguration subject to further approvals and assurances from the PCT Cluster and Strategic Health Authority.

The Joint HOSC focussed on the Travel and Transport Plan. The Committee had initial concerns but has been assured that the local authority and other partners are now fully involved.

Accident and Emergency Service and Capacity

The Committee expressed concern about A&E services in August 2012 and there were further discussions with the Joint HOSC. The Committee remains extremely concerned that the Trust is failing to meet national waiting time targets and has declared a Level 4 on three occasions, and about the cancellation of non-emergency operations due to lack of A&E capacity. The Committee recognises that pressure on A&E is a national issue, but will continue to scrutinise issues through the Joint HOSC to ensure services are accessible, safe and sustainable and awaits the outcome of the urgent care review.

The Joint HOSC considered the impact of delayed admission to A&E on ambulance availability for emergency calls. The Committee suggests the quality account shows how the Trust is working with the ambulance service to address this.

Reduction of Inpatient Falls

The Committee supports the continued focus on falls prevention. The Joint HOSC heard that lessons would be learnt from the coroner's reports into the falls-related deaths.

Preventing Avoidable Pressure Ulcers

The Committee is concerned by the increase in reported Grade 3 and 4 pressure ulcers despite prevention being a priority.

Views of Patients and Staff

The Committee is concerned about the results of the patient satisfaction survey and low staff morale and will continue to scrutinise issues through the Joint HOSC.

Communication

The Committee is pleased to see communication with family and carers as a priority. The Committee's review of Continuing Healthcare (CHC) highlighted issues with this, although the Clinical Commissioning Group is responsible for CHC. The Committee also wants to ensure that family and carers are provided with information about medication and follow-up procedures.

The Committee is concerned the appointment system is not working effectively. Members heard of patients receiving confirmation and reminder letters at the same time which is an unnecessary cost.

Commissioning for Quality and Innovation (CQUIN)

The Committee recognises further work is necessary to meet CQUIN targets and would like to see more information included, particularly on CQUIN Goal 4 (dementia care) to ensure all Trust front-line staff receive dementia training.

Blood Tests

The Committee was concerned about long waits for blood tests (without food) and would like to see how this will be improved especially for diabetic/frail patients.

Stroke Review

The Committee will continue to monitor the outcome of the stroke services review through the Joint HOSC. The Committee wants to ensure that acute and hyper-acute stroke services remain within the county and are sustainable and accessible.

Shropshire Clinical Commissioning Group & Telford and Wrekin Clinical Commissioning Group Joint Statement

Shropshire Clinical Commissioning Group (SCCG) as the local Lead Commissioning Organisation monitors the quality of the services delivered by the Trust in conjunction with Telford & Wrekin Clinical Commissioning Group (TWCCG). This includes monthly reviews of performance and governance data, patient safety and experience metrics via Clinical Quality Review (CQR) meetings, announced and unannounced quality and safety review visits.

We believe that the Quality Account is reflective of the Trusts achievements and also outlines the challenges it has faced in the year in relation to the sustained delivery of both urgent and planned care; and a lack of achievement against both its own and national priorities for 2012-13 including the elimination of avoidable grade 2, 3 and 4 pressure ulcers and only partial achievement of several Commissioning for Quality and Innovation (CQUIN) goals.

This Quality Account is the Trust's annual report to the public about the quality of services that are delivered. While the document provides lots of helpful information, it is generally presented from the points-of-view of the Trust's internal processes (patient safety, clinical effectiveness, patient experience etc.). It is however worth note the Trust commitment for 2013/14 to continue to strive for best practice in improving the patient journey and patient experience by continuing to strengthen both patient and public involvement.

"SCCG is fully supportive of the Trust's quality priorities for improvement that are identified for 2013/14 and commend its commitment to focus on the culture of the organisation " To ensure that it is founded on the values of the Six C's – **Care, Compassion, Courage, Communication and Competence..**" and to be " A caring organisation that always Puts Patients first.

Accuracy of Information

SCCG in line with its responsibilities has taken appropriate steps to assure the accuracy of data presented in the Trusts quality in relation to the locally commissioned services and is satisfied that the SaTH NHS Trust Draft Quality Account 2012/13 provides a level of assurance on a range of its services.

Montgomeryshire Community Health Council

Community Health Councils (CHCs) in Wales have a statutory responsibility to represent the patients' and general public's perspective of health services, to keep under review the operation of the health service in its district and to make recommendations for the improvement of that service. Hospital monitoring and inspection are two of the core functions of the CHC's 'quality monitoring' programme of local health services on behalf of patients and the public.

During 2011/12 Montgomeryshire Community Health Council has continued to review the Trust's health service provision to Powys residents through CHC monitoring visits; inspections; and feedback from patients. The Trust has continued to send a senior representative to CHC Full Council meetings to respond to questions raised by CHC members and to engage with, consult and advise CHC members of the Trust's plans and proposals. The Trust has responded to CHC concerns and recommendations. These have influenced its plans and priorities for improvement, including the Quality Improvement Strategy; Quality monitoring and improvement measures; and Quality Priorities for 2012/13.

Montgomeryshire CHC has welcomed the opportunity to be part of the Trust's Patient Experience Involvement Panel, and the development of the work programme to support the review of patient care.

We also welcome the approach taken by the Trust to act on both positive and negative feedback from our members and from Powys patients. The CHC will continue to offer advice encouragement and support to the Trust where appropriate to enable it to achieve its aims on quality, safety, and patient experience.

Shropshire Healthwatch

Healthwatch Shropshire was established on 1st April 2013 to act as the independent consumer champion for health and social care for the people of Shropshire. We are grateful for the opportunity to consider and comment on the Quality Account.

Healthwatch Shropshire has read the Quality Account carefully and can see the effort the Trust has put in to improving its services. However, we would welcome more benchmarking of services against national data and also additional comments from the Trust to give more context to the data especially where objectives are only partially met.

Healthwatch Shropshire recognises that the Trust has a large volume of information which it is required to include in the Quality Account but is concerned that it is not easy to read and assimilate the information. We would like to see a “summary” document highlighting the key issues for patients, service users and carers that is in a more accessible format.

Healthwatch Shropshire welcomes the proposed quality priorities for 2013-14 and looks forward to developing its relationship with the Trust during the year.

The feedback from our external stakeholders has been replicated in its entirety without edit.

Trusts response to feedback from stakeholders

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

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

We have updated the glossary to reflect additional abbreviations used within the Quality Account and removed unnecessary ones.

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

As in previous years, the Trust will endeavour to act upon all stakeholder feedback in order to attain year on year improvements to the Quality Account.

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

- We have expanded on the Workforce section to include an update and response to our Staff Survey, and included information on the role of our Education and Learning team, and their plans for 2013/14.
- We have expanded the section on Patient Services to highlight the development of the team, and also to comment on the complaint response performance levels, and how these would be improved.
- We have provided additional clarity on how we will deliver our quality performance priorities for the coming year and highlighted the key performance measures which will help us deliver them.
- We have made a number of formatting amendments, based on advice from stakeholders, to improve the layout and presentation of the Quality Account.

Annex 2.

Statement of directors' responsibilities in respect of the Quality Account

The directors are required under the Health Act 2009 to prepare a Quality Account for each financial year. The Department of Health has issued guidance on the form and content of annual Quality Accounts (which incorporates the legal requirements in the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended by the National Health Service (Quality Accounts) Amendment Regulations 2011).

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

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

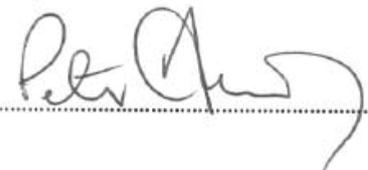
The directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the Quality Account.

By order of the Board:

Date: 27.6.13

Chair: 

Date: 27.6.13

Chief Executive: 



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

We are required by the Audit Commission to perform an independent assurance engagement in respect of The Shrewsbury and Telford Hospital NHS Trust's Quality Account for the year ended 31 March 2013 ("the Quality Account") and certain performance indicators contained therein as part of our work under section 5(1)(e) of the Audit Commission Act 1998 ("the Act"). NHS trusts are required by section 8 of the Health Act 2009 to publish a quality account which must include prescribed information set out in The National Health Service (Quality Account) Regulations 2010, the National Health Service (Quality Account) Amendment Regulations 2011 and the National Health Service (Quality Account) Amendment Regulations 2012 ("the Regulations").

Scope and subject matter

The indicators for the year ended 31 March 2013 subject to limited assurance consist of the following indicators:

- Percentage of patient safety incidents that resulted in severe harm or death; and
- Percent of all adult inpatients that have had a VTE risk assessment on admission to hospital using the clinical criteria of the national tool.

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

Respective responsibilities of Directors and auditors

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

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

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

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

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

- the Quality Account is not prepared in all material respects in line with the criteria set out in the Regulations;
- the Quality Account is not consistent in all material respects with the sources specified in the NHS Quality Accounts Auditor Guidance 2012/13 issued by the Audit Commission on 25 March 2013 ("the Guidance"); and
- the indicators in the Quality Account identified as having been the subject of limited assurance in the Quality Account are not reasonably stated in all material respects in accordance with the Regulations and the six dimensions of data quality set out in the Guidance.

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

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

- Board minutes for the period April 2012 to June 2013;
- papers relating to the Quality Account reported to the Board over the period April 2012 to June 2013;
- feedback from the Commissioners dated 17/6/13;
- feedback from Local Overview and Scrutiny Committees;
- the trust's complaints report published under regulation 18 of the Local Authority, Social Services and NHS Complaints (England) Regulations 2009;
- the latest national patient survey;
- the latest national staff survey;
- the Head of Internal Audit's annual opinion over the trust's control environment 2012/13;
- the Annual Governance Statement 2012/13; and
- Care Quality Commission quality and risk profiles 2012/13.

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

This report, including the conclusion, is made solely to the Board of Directors of The Shrewsbury and Telford Hospital NHS Trust in accordance with Part II of the Audit

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

Assurance work performed

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

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

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

Limitations

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

The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time. It is important to read the Quality Account in the context of the criteria set out in the Regulations.

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

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

Conclusion

Based on the results of our procedures, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2013:

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

KPMG LLP

KPMG LLP

Chartered Accountants

One Snowhill

Snow Hill Queensway

Birmingham

B4 6GH

27 June 2013

Glossary

CGE: Clinical Governance Executive	
CHC: Community Health Council	Community Health Councils in Wales have a statutory role to represent the interests of the public in the health services in their district. See www.wales.nhs.uk/chc
Clinical Audit	Information about clinical audit, including a definition, is available in Section 2.2.2. See www.hqip.org.uk
Clinical Governance	Clinical Governance is defined as: “A framework through which NHS organisations are accountable for continually improving the quality of their services and safeguarding high standards of care by creating an environment in which excellence in clinical care will flourish” (A First Class Service: Quality in the New NHS, 1998).
Clinical Governance Strategy	This sets out our overall approach to clinical governance in the organisation.
Clinical Trials	A clinical trial is a particular type of research that tests one treatment against another. It may involve either patients or people in good health, or both. Small studies produce less reliable results so studies often have to be carried out on a large number of people before the results are considered reliable. See www.nhs.uk/Conditions/Clinical-trials and www.nih.ac.uk
Commissioners	Commissioners are responsible for ensuring adequate services are available for their local population by assessing needs and purchasing services. Primary Care Trusts (PCTs) in England and Local Health Boards (LHBs) in Wales are the key organisations responsible for commissioning healthcare services for their area. Shropshire County Primary Care Trust, Telford and Wrekin Primary Care Trust and Powys Teaching Health Board purchase acute hospital services from The Shrewsbury and Telford Hospital NHS Trust for the population of Shropshire, Telford & Wrekin and mid Wales. See www.shropshire.nhs.uk , www.telford.nhs.uk and www.powysthb.wales.nhs.uk
Community Engagement Forum	This is a regular meeting with patient and community representatives to help shape Trust policy and priorities.
CPA: Clinical Pathology Accreditation	Clinical Pathology Accreditation: An external audit and assessment process for pathology services. See www.cpa-uk.co.uk
CQC: Care Quality Commission	The Care Quality Commission is the independent regulator of health and social care in England. It regulates health and adult social care services, whether provided by the NHS, local authorities, private companies or voluntary organisations. See www.cqc.org.uk
CQUIN: Commissioning for Quality and Innovation	A new payment framework introduced in the NHS in 2009/10 which means that a proportion of the income of providers of NHS services is conditional on meeting agreed targets for improving quality and innovation. See www.institute.nhs.uk/cquin
DATIX	The Shrewsbury and Telford Hospital NHS Trust internal incident reporting tool
EDD	An Expected Date of Discharge (EDD) is the date we think a patient will be able to safely leave the hospital. This date is discussed and agreed by the team looking after the patient
HSMR: Hospital Standardised Mortality Ratio	The Hospital Standardised Mortality Ratio (HSMR) is an indicator of healthcare quality that measures whether the death rate at a hospital is higher or lower than you would expect
ISO 9000	The ISO 9000 family of standards is related to quality management systems and designed to help organizations ensure that they meet the needs of customers and other stakeholders while meeting statutory and regulatory requirements
Information Governance Toolkit	This is an tool to support NHS organisations to assess and improve the way they manage information, including patient information See www.igt.connectingforhealth.nhs.uk
KPI: Key Performance Indicators	A set of defined measures which show progress against the target
LINK: Local Involvement Network	Local Involvement Networks in England are made up of individuals and community groups working together to improve local services. Their job is to find out what the public like and dislike about local health and social care. They will then work with the people who plan and run these services to improve them. This may involve talking directly to healthcare professionals about a service that is not being offered or suggesting ways in which an existing service could be made better.
MDT	Multi Disciplinary Team—A group of health care professionals who provide different services for patients in a co-ordinated way

MHRA	The Medicines and Healthcare Products Regulatory Agency (MHRA) is a UK government agency which is responsible for ensuring that medicines and medical devices work and are acceptably safe.
MRSA	Methicillin-resistant Staphylococcus aureus (MRSA) is a bacterium responsible for several difficult-to-treat infections.
NHSLA	The NHS Litigation Authority is a not-for-profit part of the NHS. It manages negligence and other claims against the NHS in England on behalf of member organisations.
NPSA	The NPSA is an arm's length body of the Department of Health. It was established in 2001 with a mandate to identify patient safety issues and find appropriate solutions
Overview and Scrutiny Committees	Overview and Scrutiny Committees in local authorities have statutory roles and powers to review local health services. See www.shropshire.gov.uk and www.telford.gov.uk
Patient Experience Reporting	We ask our patients to tell us about their experience of our services in a variety of ways. These include the CQC Annual Inpatient Survey our own internal surveys and the complaints and compliments we receive from patients and carers.
PEAT	Patient Environment Action Team
PEIP	This stands for Patient Experience and Involvement Panel. This group brings together patients, carers, patient representatives and senior staff to make on-going improvements to patient care and experience.
Periodic Reviews	Periodic Reviews are reviews of health services carried out by the Care Quality Commission. The term "review" refers to an assessment of the quality of a service of the impact of a range of commissioned services, using the information that the CQC holds about them, including the views of people who use those services.
Pressure Ulcers	Pressure ulcers are also known as pressure sores, or bed sores. They occur when the skin and underlying tissue becomes damaged. In very serious cases, the underlying muscle and bone can also be damaged. See www.nhs.uk/conditions/pressure-ulcers
PROMs	Patient Reported Outcome Measures - PROMs measure a patient's health status or health-related quality of life at a single point in time, and are collected through short, self-completed questionnaires.
PSAG	Patient Status at a Glance. An SaTH developed electronic patient board which shows clinical teams what interventions the patient requires. Provides basis to manage demand and capacity.
Quality and Safety Assurance Framework	This framework sets out how aspects of governance and safety are to be integrated into the Trust's arrangements and how quality will be continually improved and monitored.
RCA	Root Cause Analysis. An investigation which takes place to find out the cause of a problem which has occurred
Risk Management systems	These enable staff across the organisation to identify and report risks to the quality of care. The organisation is then better able to manage these risks, focusing on addressing those issues that are more likely to have a greater adverse impact on patient experience, safety and effectiveness.
SaTH: The Shrewsbury and Telford Hospital NHS Trust	The Shrewsbury and Telford Hospital NHS Trust, the NHS organisation responsible for hospital services at the Princess Royal Hospital in Telford and the Royal Shrewsbury Hospital in Shrewsbury. We are the main provider of acute hospital services for around half a million people in Shropshire, Telford & Wrekin and mid Wales. See www.sath.nhs.uk
Safety Thermometer	The NHS Safety Thermometer is a local improvement tool for measuring, monitoring and analysing patient harms and 'harm free' care
SHMI	Summary Hospital-Level Mortality Indicator.
Special Review	A special review is carried out by the Care Quality Commission. Each special review looks at themes in health and social care. They focus on services, pathways or care groups of people. A review will usually result in assessments by the CQC of local health and social care organisations, as well as supporting the identification of national findings.
Trust Board	The Trust Board takes corporate responsibility for the organisation's strategies and actions. The chair and non-executive directors are lay people drawn from the local community and are accountable to the Secretary of State. The chief executive is responsible for ensuring that the board is empowered to govern the organisation and to deliver its objectives.
VTE: Venous Thromboembolism	Venous thromboembolism (VTE) is a term that covers both Deep Vein Thrombosis (DVT, a blood clot in one of the deep veins in the body) and pulmonary embolism (where a piece of blood clot breaks off into the bloodstream and blocks one of the blood vessels in the lungs). See www.nhs.uk/conditions/deep-vein-thrombosis

Acknowledgements

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

- Health and Safety Manager
- Specialist Practitioner in Blood Transfusion
- Associate Director of Quality and Patient Experience
- Centre Manager—Therapies
- Diabetic Clinical Nurse Specialist
- Deputy Chief Nurse
- Medical Performance Manager
- Business Manager—Estates and Facilities
- Patient Safety Team Manager
- Patient Services Manager
- Programme Manager - Future Configuration of Hospital Services
- Chief Information Officer
- Clinical Governance Manager
- R&D/Clinical Trials Manager
- Data Quality Manager
- Information Governance Manager
- Contracts and Performance Manager
- Hygiene and Compliance Officer
- Head of Business Information
- Contracts & Performance Manager
- Senior Human Resources Manager
- Improvement Manager—Corporate Nursing
- Members and contributors from the following groups
 - Shropshire Clinical Commissioning Group
 - Telford and Wrekin Clinical Commissioning Group
 - Telford & Wrekin Local Involvement Networks (LINKs)
 - Shropshire Healthwatch
 - Shropshire and Telford & Wrekin Health Overview and Scrutiny Committees (HOSC)





Information about this Quality Account

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

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

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

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

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

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

www.sath.nhs.uk

Appendix 2

Staff Survey Results

Staff Survey Results

Response Rate	2012		2011		Change
	SaTH	National Average for Acute Trusts	SaTH	National Average for Acute Trusts	
Response Rate	57%	50%	56%	54%	+1%

Top 4 Ranking Scores	2012		2011		Change
	SaTH	National Average for Acute Trusts	SaTH	National Average for Acute Trusts	
KEY FINDING 17. % of staff experiencing physical violence from staff in the last 12 months	2	3	2	1	0
KEY FINDING 28. % of staff experiencing discrimination at work in the last 12 months	10	11	13	13	-3
KEY FINDING 20. % of staff feeling pressure in the last 3 months to attend work when feeling unwell	29	29	30	26	-1
KEY FINDING 6. % of staff receiving job-relevant training, learning or development in the last 12 months	82	81	76	78	+6

Bottom 4 Ranking Scores	2012		2011		Change
	SaTH	National Average for Acute Trusts	SaTH	National Average for Acute Trusts	
KEY FINDING 22. % of staff able to contribute towards improvements at work.	60	68	65	61	-5
KEY FINDING 9. Support from immediate managers	3.42	3.62	3.44	3.61	-0.02
KEY FINDING 13. % of staff witnessing potentially harmful errors, near misses or incidents in the last month	40	34	40	34	0
KEY FINDING 21. % of staff reporting good communication between senior management and staff	19	27	40	26	-21

The Trust has identified three over-arching priorities based on the Staff Survey results 2012: Ensuring a place staff want to work and recommend for treatment; Developing and enhancing leadership at every level in line with Trust values; and, Health and Wellbeing of all staff.

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

Appendix 3

Staff Profile Statistics

Profile of staff employed by the Trust at 31 March 2013

Age	31 March 2013		31 March 2012
	Head Count	Percentage	Percentage
16-20	33	1%	1%
21-30	927	17%	18%
31-40	1243	23%	23%
41-50	1623	30%	21%
51-60	1329	24%	23%
61+	284	5%	5%
Total	5439	100%	

Disability	31 March 2013		31 March 2012
	Head Count	Percentage	Percentage
Yes	133	2%	2%
No	3592	66%	60%
Not recorded/disclosed	1714	32%	39%
Total	5439	100%	

Ethnicity	31 March 2013		31 March 2012
	Head Count	Percentage	Percentage
Asian or Asian British	282	5%	5%
Black or Black British	58	1%	1%
Chinese or Other	112	2%	2%
Mixed	40	1%	1%
White	4851	89%	87%
Not recorded/disclosed	96	2%	5%
Total	5439	100%	

Gender	31 March 2013		31 March 2012
	Head Count	Percentage	Percentage
Female	4350	80%	80%
Male	1089	20%	20%
Total	5439	100%	

Relationship Status	31 March 2013		31 March 2012
	Head Count	Percentage	Percentage
Civil Partnership	11	0%	0%
Divorced	398	7%	7%
Legally Separated	56	1%	1%
Married	3283	60%	60%
Single	1528	28%	28%
Widowed	58	1%	1%
Not Recorded/Disclosed	105	2%	2%
Total	5439	100%	

Religion/Culture	31 March 2013		31 March 2012
	Head Count	Percentage	Percentage
Atheism	289	5%	5%
Buddhism	12	0%	0%
Christianity	2564	47%	46%
Hinduism	90	2%	1%
Islam	73	1%	1%
Judaism	2	0%	0%
Sikhism	16	0%	0%
Other	115	2%	2%
I do not wish to disclose	2278	42%	41%
Not stated	<i>Category not used in 2013</i>		3%
Total	5439	100%	

Sexual Orientation	31 March 2013		31 March 2012
	Head Count	Percentage	Percentage
Bisexual	15	0%	0%
Gay	17	0%	0%
Heterosexual	3139	58%	55%
Lesbian	4	0%	0%
I do not wish to disclose	2264	42%	42%
Not stated	<i>Category not used in 2013</i>		3%
Total	5439	100%	

Appendix 4

NHS Foundation Trust Membership

The tables below provide information about NHS Foundation Trust Membership

Changes in membership	Public Constituency	Staff Constituency
	Head Count	Head Count
Members at 1 April 2012	7,128	5,455
New members joining during the year	2,024	1,170
Members leaving during the year	314	802
Members at 31 March 2013	8,838	5,823

Public membership by sub-constituency	Public Constituency
	Head Count
Powys	1,179
Telford and Wrekin	2,653
North Shropshire	1,670
South Shropshire	1,498
Central Shropshire	1,838

Representativeness of public membership	Number of members	Eligible Members
	Head Count	Head Count
Age		
0-16	142	112,247
17-21	421	33,913
21+	7,975	437,456
Ethnicity		
White	8,035	547,442
Mixed	27	3,271
Asian/Asian British	125	5,755
Black/Black British	47	1,392
Other	26	2,306
Socioeconomic grouping		
ABC1	4,933	184,818
C2	1,716	75,401
D	1,687	71,082
E	500	17,420
Gender		
Female	4,105	288,780
Male	4,541	294,835

Note whilst our minimum age for membership of the Trust is 14, the standard reporting template provided by Monitor the independent regulator of NHS Foundation Trusts requires the total population of "eligible members" aged 0 to 16 rather than solely those aged 14-16 who may be considered for membership under the Trust's draft Constitution.

Appendix 5

Sustainability Report

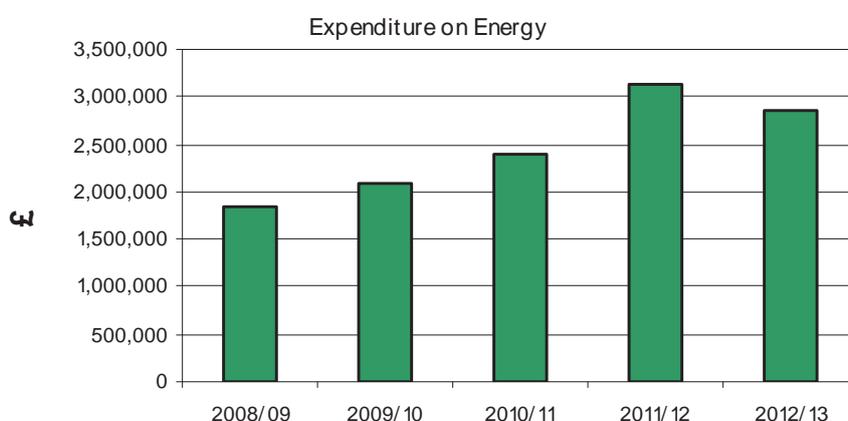
The Department of Health provides a standard template for consistent reporting of sustainability information by NHS organisations. This Appendix provides the standard sustainability report for The Shrewsbury and Telford Hospital NHS Trust.

We achieved a 9% reduction in energy costs from 2011/12 to 2012/13

The NHS aims to reduce its carbon footprint by 10% between 2009 and 2015. Reducing the amount of energy used in our organisation contributes to this goal

There is also a financial benefit which comes from reducing our energy bill.

By reducing our energy costs by 9% in 2012/13, we have saved £271,446, the equivalent of 48 hip operations.



We expect to save £287,000 through reduced carbon emissions over the next 10 years

↓ **£287,000**

We have put plans in place to reduce carbon emissions and improve our environmental sustainability. Over the next 10 years we expect to save £287,000 as a result of these measures.

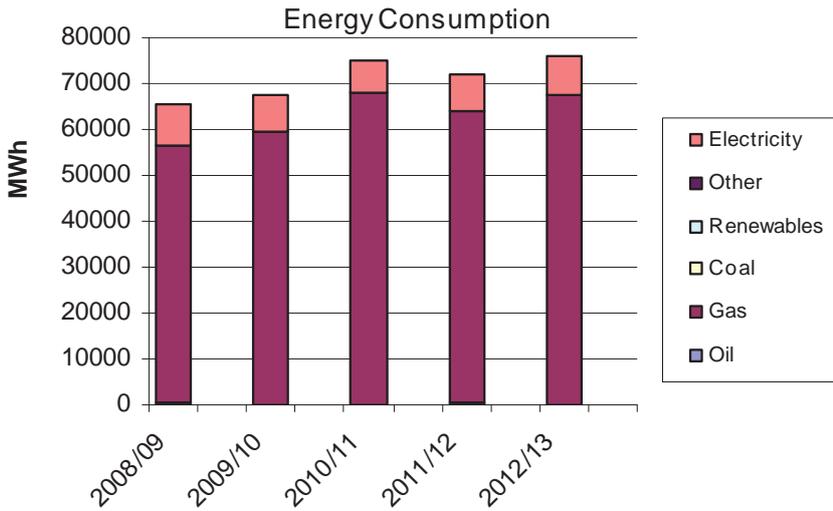
We recycle 29% of our waste

We recover or recycle 458 tonnes of waste, which is 29% of the total waste we produce.

This is a “green” rated performance when compared with NHS benchmarks but there is room for improvement.



Our energy consumption is increasing



Our total energy consumption has risen during the year, from 71,823 to 75,975 MWh.

This year was however approximately 36% colder.

Our relative energy consumption has changed during the year, from 0.65 to 0.69 MWh/square metre.

We are not currently able to identify the proportion of our energy consumption from renewable sources and we have not made arrangements to purchase electricity generated from renewable sources.

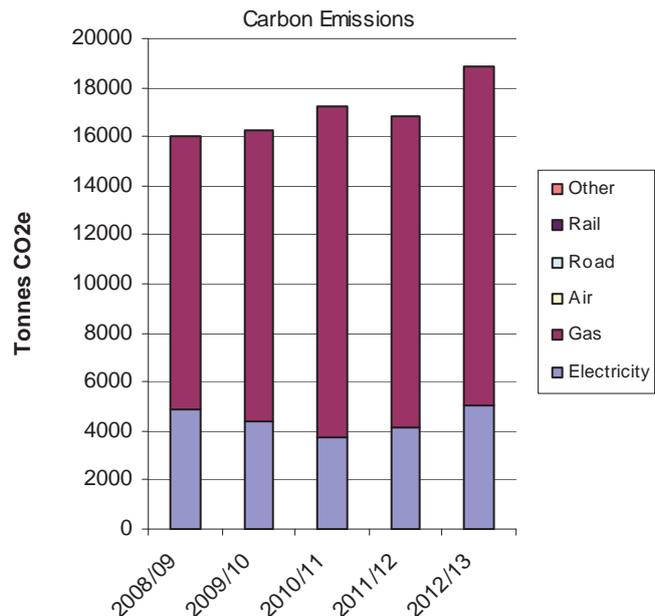
However, we generate 14% of our energy on site.

Our greenhouse gas emissions have increased

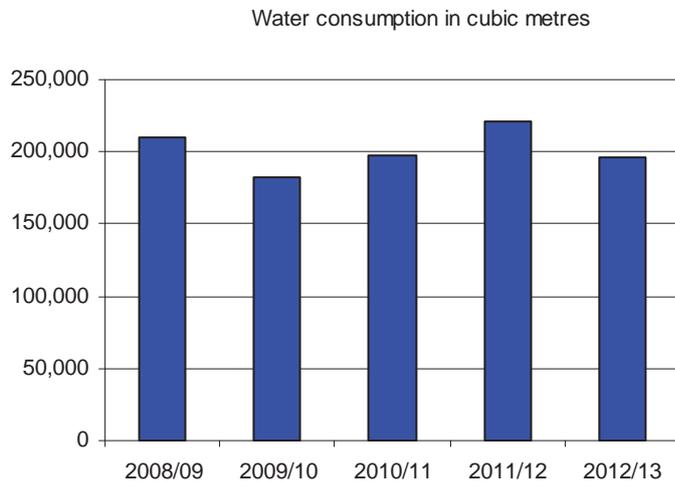
Our measured greenhouse gas emissions have increased by 2,008 tonnes this year.

This is primarily as a result of reduced on-site electric generation and a colder winter.

We do not currently collect data on our annual Scope 3 emissions.



Our water consumption has reduced



Our water consumption has reduced by 25,019 cubic meters in the recent financial year.

In 2012/13 we spent £562,767 on water.

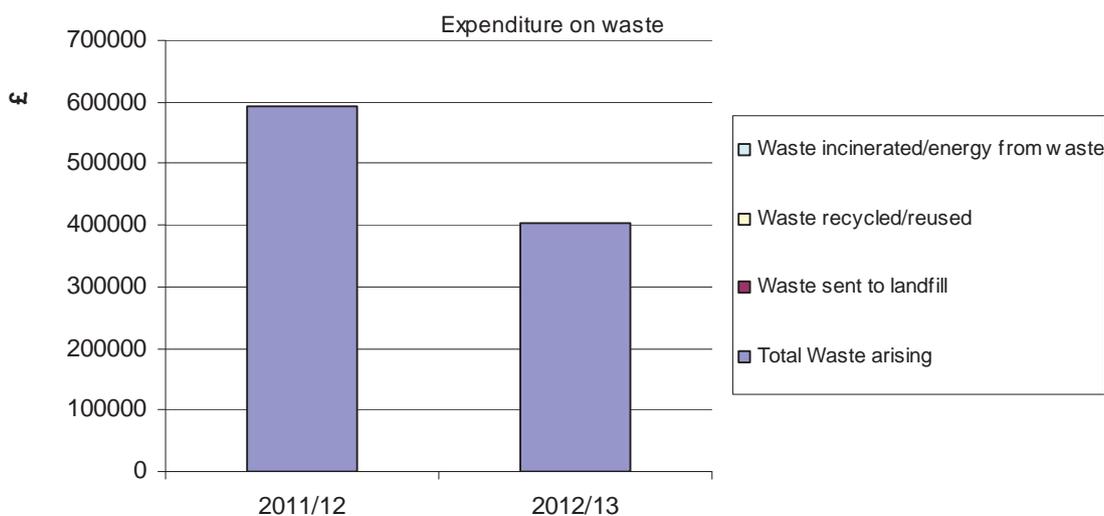
We spent £118.794 on the CRC (Carbon Reduction Commitment) Energy Efficiency Scheme

During 2012/13 our gross expenditure on the CRC Energy Efficiency Scheme was £118,794.

The CRC Energy Efficiency Scheme is a mandatory scheme aimed at improving energy efficiency and cutting emissions in large public and private sector organisations.

During 2012/13 our total expenditure on business travel was £652,849.

We significantly reduced our expenditure on waste



Our expenditure on waste in the last two years is summarised in the graph on the left.

We secured significant reductions in our waste costs by tendering for the provision of clinical waste services, as well as reducing our domestic waste costs by increasing the proportion sent for recycling.

Our organisation has an up to date Sustainable Development Management Plan. We plan to review and refresh this in the near future to reflect updated guidance on such Plans.

Having an up to date Sustainable Development Management plan is a good way to ensure that an NHS organisation fulfils its commitment to conducting all aspects of its activities with due consideration to sustainability, whilst providing high quality patient care. The NHS Carbon Reduction Strategy asks for the boards of all NHS organisations to approve such a plan.

We consider the potential need to adapt the organisation's buildings and estates as a result of climate change, but not the potential need to adapt the organisation's activities.

Adaptation to climate change will pose a challenge to both service delivery and infrastructure in the future. It is therefore appropriate that we consider it when planning how we will best serve patients in the future.

Sustainability issues are included in our analysis of risks facing our organisation.

NHS organisations have a statutory duty to assess the risks posed by climate change. Risk assessment, including the quantification and prioritisation of risk, is an important part of managing complex organisations.

In addition to our focus on carbon, we are also committed to reducing wider environmental and social impacts associated with the procurement of goods and services. This is set out within our policies on sustainable procurement.

We have started work on calculating the carbon emissions associated goods and services we procure.

We have used 'Green Insight' software to enable us to identify hi-carbon products and are looking at how to address this.

Julia Clarke is the Board Level Lead for Sustainability.

A Board Level lead for Sustainability ensures that sustainability issues have visibility and ownership at the highest level of the organisation.

Sustainability issues, such as carbon reduction, are not currently included in the job descriptions of all staff.

We are developing an environmental e-learning package for staff.

Staff awareness campaigns have been shown to deliver cost savings and associated reductions in carbon emissions.

Our organisation has a Sustainable Transport Plan, and, in the coming months will be appointing a Transport Plan Coordinator to review and implement this Plan.

The NHS places a substantial burden on the transport infrastructure, whether through patient, clinician or other business activity. This generates an impact on air quality and greenhouse gas emissions. It is therefore important that we consider what steps are appropriate to reduce or change travel patterns.

Appendix 6



Remuneration Tables

The Shrewsbury and Telford Hospital NHS Trust Remuneration Tables for the Period Ended 31 March 2013

The tables below set out the salary and pension entitlements of senior managers, namely the directors who were members of the Trust Board during the year either as voting or non-voting members.

Remuneration	Year Ended 31 March 2013				Year Ended 31 March 2012			
	Salary	Other Remuneration	Bonus Payments	Benefits In Kind	Salary	Other Remuneration	Bonus Payments	Benefits In Kind
Name and Title	(bands of £5000) £000	(bands of £5000) £000	(bands of £5000) £000	(to nearest £100) £	(bands of £5000) £000	(bands of £5000) £000	(bands of £5000) £000	(to nearest £100) £
Dr John Davies, Chairman to 17/09/12	5-10	-	-	-	20-25	-	-	-
Sue Assar, Non-Executive Director to 31/05/12	0-5	-	-	-	5-10	-	-	-
Martin Beardwell, Non-Executive Director (Acting Chair from 18/09/12)	10-15	-	-	-	5-10	-	-	-
Robin Hooper, Non-Executive Director from 26/09/12	0-5	-	-	-	-	-	-	-
Dennis Jones, Non-Executive Director	5-10	-	-	-	5-10	-	-	-
Barry Simms, Non-Executive Director	5-10	-	-	-	5-10	-	-	-
Dr Peter Vernon, Non-Executive Director	5-10	-	-	-	5-10	-	-	-
Dr Simon Walford, Non-Executive Director	5-10	-	-	-	5-10	-	-	-
Peter Herring, Chief Executive from 06/09/12	95-100	-	-	-	-	-	-	-
Steve Peak, Acting Chief Executive from 01/07/12 to 05/09/12 (see Note 1)	10-15	-	-	-	-	-	-	-
Adam Cairns, Chief Executive to 30/06/12	40-45	-	-	1600	160-165	-	-	7100
Deborah Kadum, Chief Operating Officer from 17/12/12	30-35	-	-	-	-	-	-	-
Vicky Morris, Chief Nurse / Director of Quality and Safety	95-100	-	-	2000	90-95	-	-	2900
Dr Ashley Fraser, Medical Director from 01/05/12 to 31/03/13 (see Note 2)	110-115	-	-	-	160-165	-	-	2800
Mr Christopher Beacock, Acting Medical Director from 01/04/12 to 30/04/12 (see Note 4)	10-15	5-10	0-5	-	-	-	-	-
Neil Nisbet, Finance Director	110-115	-	-	1400	110-115	-	-	5500
Julia Clarke, Director of Corporate Governance (non-voting)	85-90	-	-	-	85-90	-	-	-
Debbie Vogler, Director of Business and Enterprise (non-voting) to 19/09/12 (see Note 3)	40-45	-	-	-	85-90	-	-	800

Pension Entitlements	Year Ended 31 March 2013									
	Real increase (decrease) in pension at age 60	Proportionate increase (decrease) in pension at age 60	Real increase in pension lump sum at aged 60	Proportionate increase in pension lump sum at aged 60	Total accrued pension at age 60 at 31/03/13	Lump sum at age 60 related to accrued pension at 31/03/13	Cash equivalent transfer value at 31/03/13	Cash equivalent transfer value at 31/03/12	Real increase (decrease) in cash equivalent transfer value	Employer's contribution to stakeholder pension
Name and Title	(bands of £2500) £000	(bands of £2500) £000	(bands of £2500) £000	(bands of £2500) £000	(bands of £5000) £000	(bands of £5000) £000	£000	£000	£000	£000
Peter Herring, Chief Executive from 06/09/12	5-7.5	2.5-5	17.5-20	10-12.5	80-85	250-255	1,965	1,683	195	-
Adam Cairns, Chief Executive to 30/06/12	7.5-10	0-2.5	25-27.5	5-7.5	70-75	210-215	1,270	1,030	187	-
Deborah Kadum, Chief Operating Officer from 17/12/12	0-2.5	0-2.5	5-7.5	0-2.5	30-35	90-95	547	477	45	-
Vicky Morris, Chief Nurse / Director of Quality and Safety	(0-2.5)	(0-2.5)	(0-2.5)	(0-2.5)	25-30	80-85	456	424	9	-
Dr Ashley Fraser Medical Director from 01/05/12 to 31/03/13 (see Note 2)	-	-	-	-	-	-	-	-	-	-
Mr Christopher Beacock, Acting Medical Director From 01/04/12 to 30/04/12	(0-2.5)	(0-2.5)	(2.5-5)	(0-2.5)	70-75	215-220	1,672	1,574	16	-
Neil Nisbet Finance Director	(0-2.5)	(0-2.5)	(0-2.5)	(0-2.5)	35-40	110-115	664	620	11	-
Julia Clarke, Director of Corporate Governance (non-voting)	(0-2.5)	(0-2.5)	(2.5-5)	(2.5-5)	25-30	45-50	407	380	7	-
Debbie Vogler, Director of Business and Enterprise (non-voting) to 19/09/12 (see Note 3)	(0-2.5)	(0-2.5)	(0-2.5)	(0-2.5)	35-40	110-115	710	670	5	-

- Note 1: The salary for Steve Peak, Acting Chief Executive from 01/07/12 to 05/09/12, was recharged from Birmingham Women's Hospital NHS Foundation Trust (BWHT). Information about pension entitlements is available from BWHT.
- Note 2: Dr Ashley Fraser retired on 31 March 2012. He served a leave of absence from the Trust in April 2012 and returned from 1 May 2012 to 31 March 2013 as Medical Director and a non-contributing member of the NHS Pension Scheme. During his absence in April 2012, Mr Christopher Beacock was Acting Medical Director.
- Note 3: As a result of changes in non-voting membership of the Trust Board, Deborah Vogler ceased to be a member of the Trust Board from 20 September 2012.
- Note 4: Remuneration for the Acting Medical Director includes remuneration for clinical duties and clinical excellence awards in accordance with the national consultant contract
- General Note: All members are voting members unless indicated to the contrary. Remuneration figures represent actual remuneration rather than full-year effect.

Appendix 7

Annual Accounts 2012/13

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

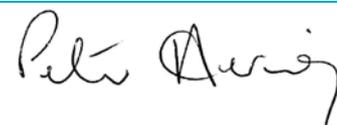
The Chief Executive of the NHS has designated that the Chief Executive of the Trust should be the Accountable Officer to the Trust. The relevant responsibilities of Accountable Officers are set out in the Accountable Officers Memorandum issued by the Department of Health. These include ensuring that:

- there are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance
- value for money is achieved from the resources available to the trust
- the expenditure and income of the trust has been applied to the purposes intended by

Parliament and conform to the authorities which govern them

- effective and sound financial management systems are in place; and
- annual statutory accounts are prepared in a format directed by the Secretary of State with the approval of the Treasury to give a true and fair view of the state of affairs as at the end of the financial year and the income and expenditure, recognised gains and losses and cash flows for the year.

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



Peter Herring
Chief Executive
6 June 2013

Annual Governance Statement

1 Scope of Responsibility

As Accountable Officer, and Chief Executive of this Board, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Shrewsbury and Telford Hospital NHS Trust (the Trust) policies, aims and objectives. I also have responsibility for safeguarding the public funds and the organisation's assets for which I am personally responsible as set out in the NHS Accountable Officer Memorandum. I am also responsible for ensuring that the Trust is administered prudently and economically and that resources are applied efficiently and effectively.

Accountability for risk management is set out in the Trust's Risk Management Strategy. The Executive Team is collectively responsible for maintaining the systems of internal control and directors are accountable to me for ensuring effective governance arrangements in their individual areas of responsibility. These areas of responsibility are detailed in the Scheme of Delegation.

2 The governance framework of the organisation

The Trust has developed and refined its governance structures over a period of time to deliver an integrated governance approach. This ensures decision-making is informed by a full range of corporate, financial, clinical and information governance, and ensures compliance with the five main principles of the Corporate Governance Code.

2.1 The Board Committee Structure

The Board has overall responsibility for the effectiveness of the governance framework and requires that each of its sub-committees has agreed terms of reference which describes the duties, responsibilities and accountabilities, and describes the process for assessing and monitoring effectiveness. The Board has standing orders, reservation, and delegation of powers and standing financial instructions in place which are reviewed annually.

The Trust commissioned Deloitte to undertake formal evaluations of the Board and Committees during 2012/13, consistent with the NHS Foundation Trust Code of Governance and the Corporate Governance Code. A new Committee structure, based on Deloitte's recommendations was implemented by early 2013. The Board can clearly identify a number of changes/improvements in Board and Committee effectiveness as a result.

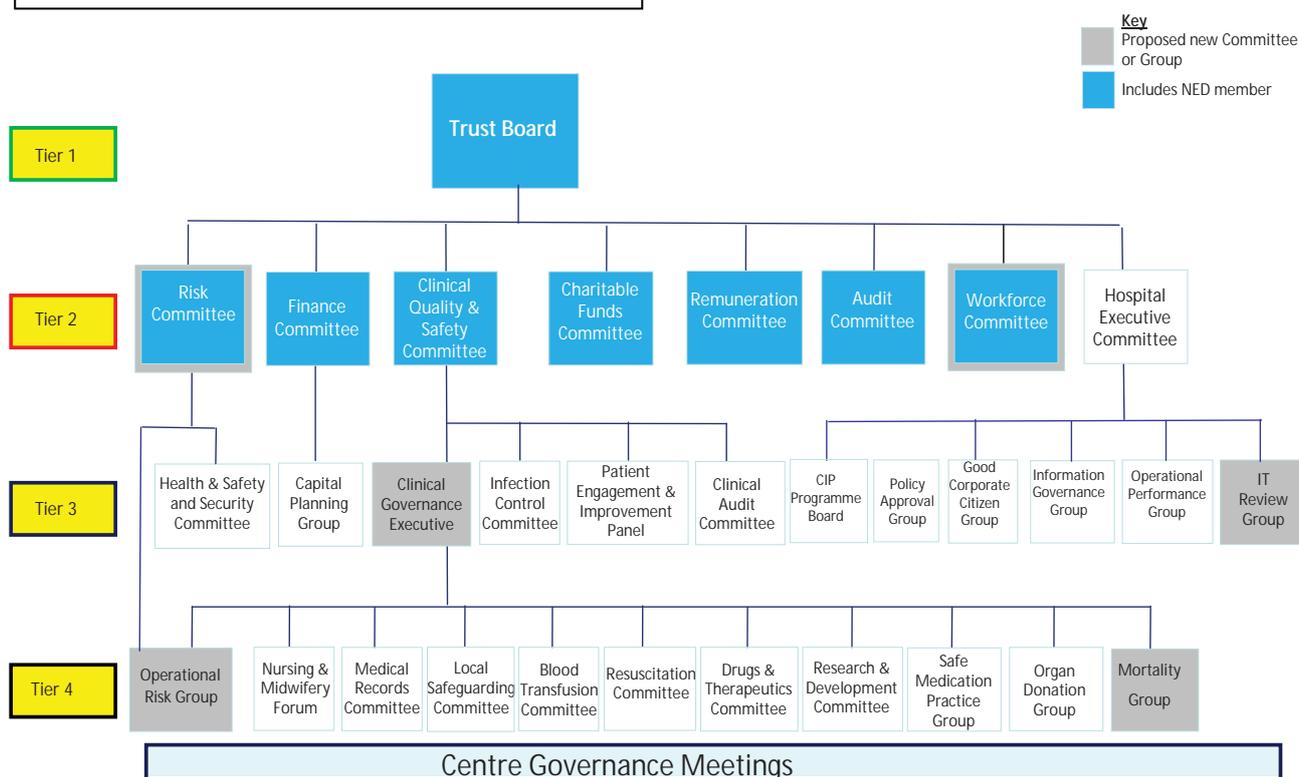
Membership of the Board of Directors is made up of the Trust Chair, six independent Non-Executive Directors, and five Executive Directors (including the Chief Executive). During the year there were significant changes in the members of the Board, including a new Chief Executive and Chief Operating Officer. The Trust

Chair resigned due to ill health in September 2012 resulting in the appointment of an acting Chair. This coupled with a further Non Executive Director resignation resulted in vacancies at non-executive level throughout the year.

The Trust Board met publicly fourteen times during the year. In addition to the regular meetings there were meetings in April to approve the business case for the Future Configuration of Hospital Services; June to approve the Annual Accounts and Report; and September for the AGM. Board papers are published on the Trust website. The agenda included an opportunity for members of the public to ask questions related to the matters under discussion.

Trust Board Attendance		Year Ended 31/03/13
Name and Title	Attendance	
Dr John Davies Chairman	7 of 7 To September 2012	
Sue Assar Non-Executive Director	2 of 2 To May 2012	
Martin Beardwell Non-Executive Director	14 of 14	
Dr Robin Hooper Non-Executive Director	4 of 5 From September 2012	
Dennis Jones Non-Executive Director	14 of 14	
Barry Simms Non-Executive Director	11 of 14	
Dr Peter Vernon Non-Executive Director	10 of 14	
Dr Simon Walford Non-Executive Director	13 of 14	
Peter Herring Chief Executive	7 of 7 From September 2012	
Steve Peak Acting Chief Executive	3 of 3 June to September 2012	
Adam Cairns Chief Executive	2 of 5 To June 2012	
Debbie Kadum Chief Operating Officer	3 of 3 From December 2012	
Vicky Morris Chief Nurse / Director of Quality and Safety	12 of 14	
Dr Ashley Fraser Medical Director	9 of 12	
Mr Chris Beacock Acting Medical Director	2 of 2 April 2012 only	
Neil Nisbet Finance Director	12 of 14	

Overview of Board and Committee Structure



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

The Board has five standing Committees and three executive committees accountable to the Trust Board through the Accountable Officer.

Two of the standing Committees are Non-Executive Committees (Audit, Remuneration). Although these Committees have a membership consisting of only Non-Executive Directors, other Directors will attend as required:

- The Audit Committee is responsible for oversight and scrutiny of the Trust's systems of internal control and risk management. It is the senior Board committee taking a wide responsibility for scrutinising the risks and controls which affect all aspects of the organisation's business. The Audit Committee met 6 times during 2012/13. It was chaired by a Non-Executive Director, who is a qualified accountant, and who submits a regular report to the Trust Board. Attendance through the year was in line with the requirements of the Terms of Reference.
- Three other Committees are chaired by a Non-Executive Director, (Finance, Clinical Quality and Safety, and Charitable Funds). Minutes of these meetings demonstrate that Non-Executive Directors oversee progress and provide challenge to the Directors.

The remaining three Committees (Hospital Executive Committee, Risk Committee and Workforce Committee) are executive in nature.

- The Risk Committee is a quarterly committee which replaced the Risk Management Executive in November 2012. The Risk Committee has NED membership but is chaired by the Chief Executive. It is responsible for providing leadership for the co-ordination and prioritisation of clinical, non-clinical, and organisational risk, ensuring that all significant risks are properly considered and communicated to the Trust Board. The Committee provides assurance to the Trust Board that the systems for risk management and internal control are effective. The Risk Committee met in November 2012 and February 2013. Prior to this, the Risk Management Executive met monthly from April to September 2012.

All of the Committee Chairs present a summary of each meeting to the Board highlighting areas of concern. For example the Audit Committee raised issues around the delivery and governance of systems in respect of medical records, and patient access within the transformation programme and also capital funding for replacement clinical equipment; Finance Committee highlighted concerns relating to capturing lower value initiatives in the CIP schemes.

In support of our wider organisational development and specifically our NHS Foundation Trust application the Trust has implemented a Board Development programme in line with the key components of High Performing Boards and Monitor's requirements. During 2011/12 we focused on Board Capacity and Capability with a review led by Chantrey Vellacott looking at (a) Board Papers (b) Board Capacity and Capability Assessment; and (c)

Board Development Workshop and Action Plan. This work continued in 2012/13, aligned with the Board Governance Assurance Framework (BGAF) published by the Department of Health and rolled out nationally from January 2012; a mandatory requirement for aspirant FTs to undertake as part of their FT application.

A comprehensive rolling development programme continues, with protected time and mandated attendance, which has enabled the Trust to construct a Board Governance Memorandum (BGM). This is a mandatory process where Boards self-assess their current capacity and capability, supported by appropriate evidence. It provides assurance of effective Board governance against the following five indicators:

1. Board composition and commitment (e.g. Balance of skills, knowledge and experience);
2. Board evaluation, development and learning (e.g. The Board has a development programme in place);
3. Board insight and foresight (e.g. Performance Reporting);
4. Board engagement and involvement (e.g. Communicating priorities and expectations);
5. Board impact case studies (e.g. a case study that describes and demonstrates how the Board has responded effectively to a recent financial/performance/quality issue).

The Board carried out a review of Board Effectiveness using a questionnaire to all Board members covering the key roles of the Board. This highlighted a number of areas for development including Board composition and developing a Board performance culture. A further independent review is planned later in 2013.

The resulting action plans are overseen and progressed through Audit Committee.

Through its governance arrangements and the reviews undertaken by Deloitte and the construction of the Board Governance Memorandum, I am assured that the Trust complies with the UK Corporate Governance Code and does not have any significant departures from the Code.

2.2 Arrangements in place for the discharge of statutory functions

The Trust has worked closely with key partner organisations to address risks in the community and for disaster planning. These organisations include Police, Ambulance Service, Fire, Health and Safety Executive and Local Authorities. The Trust works with the West Mercia Resilience Forum to study and exercise/test arrangements for localised fluvial and run off flooding. The Trust has continued to work with its partners to understand and minimise the risks associated with flooding due to climate change. Risk assessments have been undertaken - on behalf of the whole Local Resilience Forum by the Environment Agency. The Trust has also held a multi-agency tabletop exercise (2012/13)

looking at various scenario's, and potential risks and responses prior to, and including, the Olympic Games as well as two live multi-agency exercises on both Hospital sites.

Control measures are in place to ensure that all the organisation's obligations under equality, diversity, and human rights legislation are complied with. Equality Impact Assessment forms part of the Trust documentation for policy creation and ensures all policies are assessed.

Following a change in the Equality Act in 2010, all NHS organisations have to demonstrate that they are complying with the new public duty to ensure that decision making does not discriminate against the 9 'protected' groups: age, disability, gender re-assignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

The Trust has developed outcomes against the Equality Delivery System (EDS) following a consultative process which engaged with staff, commissioner, and community partners. An action plan is being monitored through Board which details the outcomes and the progress made with delivery. The Local Health Economy (LHE) EDS Steering Committee has determined that the Trust has made good progress with its actions.

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

There is a Carbon Reduction Strategy and action plan approved by the Board which is monitored through the Trust's Good Corporate Citizen Forum. Good progress has been made year on year and is reported to the Board annually. The Trust has undertaken risk assessments and Carbon Reduction Delivery Plans are in place in accordance with emergency preparedness and civil contingency requirements, as based on UK Climate Impact Programmes (UKCIP) 2009 weather projects, to ensure that the organisation's obligations under the Climate Change Act and the adaptation Reporting requirements are complied with.

The national priorities for the NHS were set out in the NHS Operating Framework 2012/13. Examples of progress against these priorities are:

Preventing people from dying prematurely

- Implemented a specialist cardiology rota which provides 24/7 cover with on site weekend consultant ward rounds.
- Made considerable progress to ensuring that our patients are seen by the most appropriate person

including earlier senior clinical decision making into acute medical admissions.

Enhancing quality of life for people with long term conditions

- Worked with commissioners to review and redesign clinical pathways including headache and epilepsy pathways
- Introduced an integrated Frail Complex Service in partnership with the community services and social services teams which provides early assessment and interventions to help either to prevent admissions or to reduce the time spent in hospital.

Ensuring that people have a positive experience of care

- Revised our Admission and Assessment Tool to ensure that our patients are involved in decisions about their care and enables patients to be involved in planning their care including nutrition, mobility and communication

Helping people to recover from episodes of ill health following injury

- Physiotherapists working within the inpatient setting deliver a rehabilitation service to all patients who have injured themselves, for example Head Injured patients, Trauma and Orthopaedic patients and link with colleagues working in the community to ensure continuity of care wherever possible. The Outpatient Physiotherapy teams serve the population of patients who are referred by GP's and consultants following Musculoskeletal injuries providing services within the Fracture Clinic and A&E settings as well as the main physiotherapy department

Treating and caring for people in a safe environment and protecting them from avoidable harm

- Our Pharmacy Team have redesigned and launched revised medicine charts to reduce the potential for errors and we have developed a learning package to increase education and knowledge
- Through the national Leading Improvement in Patient Safety (LIPS) Programme we have successfully introduced a structured method for communicating critical information.

3 Risk Assessment

The key aim of the Trust's risk management approach is to ensure that all risks to the achievement of the Trust's objectives (whether clinical or non-clinical) are identified, evaluated, monitored, and managed appropriately. The system of risk management is described in the Trust's Risk Management Strategy which is reviewed annually by the Board and is accessible to all staff via the Trust Intranet. The Risk Management Strategy includes a clear management process. If a risk cannot be resolved at a local level, the risk can be referred through the

operational management structure to the Risk Committee or ultimately to the Trust Board. Risks are reviewed to ensure that any interdependencies are understood.

Risk assessment is a key feature of all normal management processes. All areas of the Trust have an ongoing programme of risk assessments. Risks are evaluated using the Trust risk matrix which is a 5 x 5 scoring system based the Australia/New Zealand risk management standard. This risk scoring system feeds into the decision making process about whether a risk is considered acceptable. Unacceptable risks require control measures and action plans to reduce them to an acceptable level. Each risk has an identified owner who is responsible for monitoring and reporting on the risk to the appropriate committee(s). Each action has a named action owner responsible for implementing the changes to reduce the risk to an acceptable level in a specified timeframe.

At the highest level, the Board Assurance Framework (BAF) enables the focused management of the principal risks to achievement of the organisations objectives. The BAF is developed annually by the Board who review known and potential risks, the existing control measures and where assurances are gained. It identifies any gaps in control or assurance. There is a schedule of associated action plans for each key risk which identifies the date and Committee of last presentation. Progress against mitigating these principal risks is proactively monitored and reported to Trust Board. The BAF was formally presented to the Board three times during the year with updates to four meetings of the Audit Committee in year.

Underpinning the BAF, the Trust has a web based system which holds a structured set of risk registers for each area, including strategic and Trust-wide risks. This allows both risk and action owners to update the status of assigned risks and actions and drives accountability. It enables reporting at corporate, operational, centre or departmental level. All risks are mapped to the key organisation objectives.

The Operational Risk Group regularly reviews all the risk registers and receives all risks rated above an acceptable level to review and ensure consistency before referring to the Risk Committee. (in line with process described in the Risk Management Strategy) Risks are reviewed and actions updated by the relevant manager every month.

The Chief Executive chairs the Risk Committee, and the other Directors with delegated responsibility for risk management sit on this committee which is the Board sub-committee responsible for managing risk and reviewing the BAF. The format of the BAF was reviewed in 2012/13 and was organised into six key risks, some of which were new, as follows:

If we do not achieve safe and efficient patient flow then we will fail the national quality and performance standards

This risk carried over from the previous year, although the wording was refined. This is the most significant risk the Trust faces. There are a number of interrelated components including failure to deliver national targets linked to a mismatch in capacity and demand. During the year, the Trust did not meet the A&E performance target; the RTT target or the cancelled operations target. This is declared as a significant issue. There is significant work ongoing with the local health economy to deliver sustainable solutions to this issue. There are a number of associated action plans (Patient Flow sustainable action plan; Booking and Scheduling action plan) and progress is actively monitored by the Board.

If we do not deliver safe care then patients may suffer avoidable harm and poor clinical outcomes and experience

This risk was carried over from the previous year, with revised wording.

The Trust saw a decrease overall in the number of falls during 2012/13 and reduced the number of falls resulting in serious harm by a third. However there was an increase in the number of falls which had the injury identified as contributing to the patient's death. This is declared as a significant issue. A detailed update and the comprehensive action plan was presented to the Trust Board in February 2013 and good progress has been made.

The Trust has continued to improve infection prevention and control, with reductions in both MRSA bacteraemia and C difficile during 2012/13.

Mortality data are important indicators and have shown improvements throughout the year. This information was reported regularly to the Board throughout the year. The performance report currently includes information on both the Hospital Standardised Mortality Ratios (HSMR) and Summary Hospital-level Mortality Indicator (SHMI). The Trust remains within the expected range for all categories of the SHMI and HSMR based on rolling 12 month averages.

Progress against this objective is closely monitored by the Clinical Quality and Safety Committee and reported to the Trust Board each month as the first part of the Integrated Performance Report.

If we do not have a clear clinical service vision then we may not deliver the best services to patients

This was a new risk identified in year. Over the year there has been a structured programme of work to arrive at service delivery models led by a Clinical Service Strategy Group which reports to the Board. The Board considered revised service delivery models in November 2012 and February 2013. The intention is to present a Clinical Service Strategy for public consultation in autumn.

If we do not get good levels of staff engagement to get a culture of continuous improvement then staff morale and patient outcomes may not improve

This is a new risk. In recent years the Trust has not scored well on the national staff surveys. A programme of leadership development has been established including the Management Development Programme and the Leadership / Development Academy. Staff induction is linked to the values of the Trust. There is a Staff Wellbeing Programme in place. During the year, the Workforce Committee was established and part of its remit is to monitor work to improve staff morale. Progress is reported to Board via Committee updates.

If Board members are not appointed in a timely fashion then this may impact on the governance of the Trust.

This was a new risk which was linked to the high turnover a Board level. During the year, the Trust appointed a new Chief Executive (from September 2012), Chief Operating Officer (from December 2012) and Medical Director (takes up post April 2013). The Trust Chairman had to stand down due to ill health in September 2012, and there is an acting Chairman in place, as well as Non-executive Director vacancies. These vacancies are being progressed by the Trust and the NTDA. Progress with mitigating this risk is provided in the monthly update to the Board by the Trust Chair.

If we do not achieve a financial risk rating of 3 then we will not be authorised as a FT

This risk carried forward from 2011/12 and had a number of components including failure to achieve Income and Expenditure (I&E) surplus, liquidity and CIP plans. Scrutiny of plans took place through the Finance Committee.

The Trust is forecasting a Financial Risk rating of 2 for the first three quarters of 2013/14. This improves in Quarter 4 on the assumption that our liquidity ratio improves due to a liquidity loan being granted in Month 12 (2014).

The Trust planned a £1.2m surplus within the financial year 2013/14 with a strategy to use all the in year surplus to improve the cash held by the Trust. However, this alone will not deliver the improvement to the liquidity metric required to meet Foundation Trust requirements, during that year without a provision of a liquidity loan the Trust will continue to deliver a Liquidity Rating of 2. Discussions are taking place with the NTDA regarding a liquidity adjustment.

Within the Trust's 5 year plans illustrate we plan to deliver surpluses of £2.3m in 2014/15 and £3m in years 2015/16-2016/17 and our strategy remains to use all these surpluses to improve cash held by the Trust. If we deliver this, our liquidity metric improves to 3 within 2014/15 and level 4 from 2015/16 onwards.

There are currently discussions taking place with the NTDA and the current financial plan for 2013/14 highlights this liquidity issue, ensuring that through this planning process we can agree a way to accelerate the improvement of currently underlying liquidity weakness through the receipt of an appropriate working capital loan.

The Finance Committee was established to provide additional assurance to the Board on finance and meets monthly to provide objective scrutiny of the Trust's financial plans and major investment decisions. The purpose of the Committee is to provide the Board with an objective review of the financial position of the Trust and oversee the delivery of financial performance. It reports to the Board via the committee reports. Detailed financial updates form part of the monthly Integrated Performance Report.

There were no data lapses in the year which were classified as level 2 incidents (these are the incidents which are formally reported to the Information Commissioner)

4 The Risk and Control Framework

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims, and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. Key elements of the framework are:

A Risk Management Strategy updated and approved each year by the Trust Board which clearly defines the risk management structures, accountabilities, and responsibilities throughout the Trust and reflects the Trust's management and governance structure.

The Annual Plan agreed by the Trust Board and reported to the NHS Midlands and East. This includes objectives, milestones, and action owners and is revised by the board quarterly.

Rigorous budgetary control processes in place and robust management of Cost Improvement Plans. Outcomes are measured by monthly review of performance to the Board. The Quality and Safety Committee review Quality Impact Assessments required across all aspects of change, cost improvement programmes, or capital build prior to discussion at the Trust Board.

The Finance Director is the nominated Senior Information Risk Officer (SIRO) who is responsible along with the Medical Director as Caldicott Guardian, for ensuring there is a control system in place to maintain the security of information. The result of the Information Governance Toolkit Assessment provides assurance that this is being managed. The overall result for SaTH was 78% (Satisfactory). The Trust attained at least level 2 compliance in all 45 requirements.

All serious incidents are reported to Commissioners and to other bodies in line with current reporting requirements (e.g. the Care Quality Commission (CQC)). Root cause analysis is undertaken with monitored action plans.

All new members of staff are required to attend a mandatory induction, an element of which covers the key elements of risk management. This is supplemented by their local induction.

The organisation provides annual mandatory and statutory training for different levels of staff depending on their responsibilities as detailed in the Risk Management Training Policy - training for all staff is encouraged and supported by the Trust. Training is designed to demonstrate the processes and tools available to enable staff to identify and treat risk and to explain how risk is escalated through teams to the Trust Executive and Board. Risk management awareness training was provided throughout 2012/13 at all levels of the organisation, including the Board. The Trust also has an active Institution of Occupational Safety and Health (IOSH) training programme.

The Trust registered with the CQC without conditions on 1 April 2010. During the year the Trust was subject to two separate assessments by the CQC and the Trust was judged compliant with all of the core outcomes reviewed.

During 2012/13, the Trust implemented a system to provide a 'Ward-to-Board' view of compliance with the CQC outcomes which requires individual areas to assess their performance against the CQC Outcomes which are aggregated up to Centre and Trust level. The results are shared with Centres on a quarterly basis to allow discussion at Governance meetings and can be drilled down to individual ward/department level by outcome/standard.

The Director of Quality and Safety/Chief Nurse has delegated responsibility for Quality. The Quality Improvement Strategy was approved by the Trust Board in March 2012 and provides a basis for a continuous improvement drive over the next five years.

The Quality Governance Framework assesses the combination of structures and processes in place, both at and below board level, which enable a Trust board to assure the quality of care it provides. The Trust has undertaken a self-assessment against the ten core quality questions and ensured that the evidence base against each of the core questions is robust based on current systems and processes. The performance of Quality has been monitored closely by the Board with detailed, monthly reviews part of the role of the Quality and Safety Committee. The Trust has worked with clinical staff to establish Key Performance Indicators to monitor quality from the ward to the Board. The score from the Quality Governance Framework will improve as centres establish robust governance arrangements to support quality care and delivery with clear evidence to back up these arrangements at each level.

An Historic Due Diligence review was undertaken by Grant Thornton in 2012 and progress is reviewed through Finance Committee.

In 2012, the new Integrated Performance Report was introduced as a standing Board agenda item. The report summarises the Trust's performance against all the key quality, finance, compliance, and workforce targets, and indicators for 2012-12 and considers all elements of the

Provider Management Regime. It therefore provides an assessment of the quality of care provided to patients.

The Trust has a Local Counter Fraud Specialist (LCFS) whose work is directed by an annual workplan agreed by the Audit Committee. The LCFS has given presentations to groups of staff working in areas where they need to be particularly vigilant to the possibility of fraud (e.g. Payroll, Human Resources, and Pharmacy). These sessions raise awareness and increase confidence to report suspicions of fraud to the LCFS whilst emphasising the zero tolerance approach of the Trust to fraud. The LCFS also facilitated a Bribery Act risk assessment workshop with senior managers.

In the National Health Service Litigation Authority (NHSLA) General Standards the Trust currently holds level 1. The Trust also currently holds Clinical Negligence Scheme for Trusts (CNST) Level 2 in maternity.

The Head of Internal Audit provides an opinion on the overall arrangements for gaining assurance through the BAF, and on the controls reviewed as part of Internal Audit's risk-based annual plan. Internal Audit's review of the Trust's Assurance Framework noted "the significant amount of work undertaken by the Trust during 2012/13 to develop the format of the BAF and the overall risk management process, and are confident this provides an adequately designed framework to facilitate robust risk management and assurance arrangements going forward"

During the year, Internal Audit identified and reported on control weaknesses which need to be addressed. Whilst positive opinions were issued in respect of the majority of audits for the period, limited opinions were provided in four instances. Formal actions plans have been agreed to address these control weaknesses. These are being monitored through recommendation tracking and reported, by exception, to the Audit Committee.

Whilst positive opinions were issued in respect of the majority of audits for the period, limited opinions were provided in four instances:

- **Statutory/Mandatory Training** There was one Priority 1 recommendation with respect to ensuring the Board has visibility of statutory and mandatory training compliance levels. Actions have been taken to address this and compliance levels are now reported by Centre as part of Centre Performance Reports which are summarised for each meeting of the Trust Board.
- **Savings Plans.** There was one Priority 1 recommendation with respect to the completion of Quality Impact Assessments (QIAs) for all Cost Improvement Plan (CIP) schemes. This is being proactively addressed.
- **Creditors and Payments.** There was one Priority 1 recommendation with respect to limited segregation of duties in the purchase to pay process. Mitigating

controls have been implemented to address this weakness.

- **Cash and Treasury Management.** There were two medium and one low priority recommendations. A follow up review was undertaken towards the end of 2012/13 which resulted in substantial assurance.

In addition, Internal Audit carried out five performance reviews during 2012/13 two of which included Priority 1 recommendations as follows:

- **Mortality Indicators:** Three Priority 1 recommendations with respect to formalising the business of the Mortality Group, ensuring Consultant review of case notes where mortality has occurred in hospital, and increasing focus on actions to address high incidence, high mortality diagnoses.
- **Quality Governance Framework:** Two Priority 1 recommendations with respect to providing members of the Trust Board responsible for reviewing the framework with access to the centralized evidence file so that they may scrutinize it; and increasing the senior management focus on assurance, through delegation of collection of evidence to administrative support.

Annual Quality Account

The Quality Account is developed by senior clinical managers and clinicians within the Trust in conjunction with stakeholders and partnership organisations. The Director of Quality and Safety has overall responsibility to lead and advise on all matters relating to the preparation of the Quality Account.

The 2012/13 Quality Account is currently in preparation and the processes and some of the indicators will be reviewed by External Audit to provide assurance on the accuracy of the account. The Trust's second Quality Account was audited by the Trust's external auditors by June 2013 in order to provide assurance that the information contained within the account was accurate. The Auditors tested three indicators in the Quality Account and raised two medium grade recommendations relating to Venous Thromboembolism (VTE) risk assessment and Hand Hygiene compliance:

- **VTE – testing** did not reveal any issues with the accuracy of the information captured and reporting. However, the instances where a VTE risk assessment had not taken place were in the Day Surgery Unit where a paper based system is in use, rather than the hand held VitalPAC system. Since then, the Thrombosis Committee has redesigned the paper audit form in use with input from senior clinicians. This has been successfully implemented and the Day Surgery Unit is now reporting close to 100% compliance.
- **Hand hygiene –** The Trust wards undertake monthly audits of hand hygiene which are submitted to the Clinical Audit Department where they are collated and

published within the monthly performance report. However, a number of wards were failing to submit their audits on a monthly basis. This may indicate that the audits have not been undertaken and the indicator therefore not accurately recorded. As a result of this recommendation, the method of reporting the results has changed so that any ward which fails to submit results will now be included in the reports, with a score of 0%. If wards do not submit results then the overall score will be significantly reduced. It is anticipated that this will improve compliance.

The system of internal control has been in place in the Shrewsbury and Telford Hospital NHS Trust for the year ended 31 March 2013 and up to the date of approval of the annual report and accounts.

5 Review of the effectiveness of risk management and internal control

5.1 Progress on Significant Issues from 2011/2012

In the last Annual Governance Statement, the Trust disclosed three significant issues.

- **Never events:** The Trust had a cluster of similar 'never events' reported in ophthalmology when the wrong strength of lens was inserted during cataract surgery. Amended procedures and further training have been put in place to prevent a recurrence. At the request of the Trust, experts from the Royal College of Ophthalmologists reviewed the processes in place and concluded that "the measures put in place at the Trust following the wrong lens incidents were robust and would strongly mitigate against future wrong lens implantation events". The report also said that 'as no patient harm arose in the wrong (lens) incidents that required further treatment, bar in one case, that the recent patient safety incidents did not meet, in our opinion, the definition of a 'Never Event' as described by the Department of Health'.
- **Outpatient management:** During 2010/11 issues relating to the management of outpatients were highlighted in the Statement of Internal Control. An external review took place and the resulting action plan has been progressed through the year. The review highlighted a significant number of patients waiting for follow up appointments. Due to the emphasis on these cases the waiting times for new patients was consistently outside the national targets during 2011/12. Enhanced performance management arrangements were regularly reported to the Board and largely brought performance back into line with the targets by year end.
- **Finance:** The Trust had a financial plan to achieve a balanced position at year end 2011/12 but delivered a small surplus following transitional support of £6.5m from the SHA which was non-repayable. For the year 2012/13 the Trust's draft account deliver an Adjusted Financial Performance Retained Surplus for the year of £0.081m, having received £4.9m non recurring

support from the SHA. In delivering the in year position the Trust has generated £13m (4%) of efficiencies. The Financial Risk Rating at the end of the year will remain at level 2 and the cumulative deficit within the Trust accounts is £22m

5.2 Significant Issues for 2012/13

There are three significant issues to report:

5.2.1 Failure to meet national targets

In 2012/13 the Trust failed the 95% A&E target, the Referral to Treatment (RTT) targets and the cancelled operations target. Factors contributing to affect performance are:

- an increase in the number of ED attendances
- an 8% increase in the number of non-elective admissions
- a significant cohort of patients who are fit to transfer but remain in a hospital bed
- a lack of available capacity (beds to meet expected demand)
 - i. The A&E 4hour target will end the year with an overall performance of between 91-92% compared to the target of 95%. The most significant cohort of breaches has been GP admissions diverted to A&E due to lack of bed availability within the medical assessment units. The challenges to both reduce the demand on SaTH and to improve patient flow throughout the health economy are recognised by all relevant organisations within the health economy and there are a number of workstreams in place, with a set of agreed actions, to take this forward.
 - ii. With the exception of Ophthalmology and Trauma and Orthopaedics (T&O) which have had significant challenges all year, most specialties had been delivering the admitted RTT target of 90% within 18 weeks during the first 9 months of the year. However, the heightened level of patient flow issues associated with emergency activity during the winter period has resulted in a significant reduction in elective capacity and activity during the final 3 months of the year. The consequence of this has been deterioration in performance across all specialties. Weekly meetings are held with our commissioners and current plans are, with the exception of T&O, to achieve and sustain the required RTT level of performance by the beginning of Quarter 2 2013/14. Non-admitted performance has also been below the required standard (95%) since the autumn, predominantly due to a number of backlog issues within the sub-specialties of general medicine. Current plans indicate that this position will be recovered during Quarter 1 2013/14.
 - iii. The Trust remains a national outlier in relation to the cancelled operations target. A Remedial Action Plan (RAP) has been agreed with our commissioners and the number of breaches has reduced from 45 in

Quarter 2 to 18 in Quarter 3. However, due to the capacity issues highlighted in (1) and (2) above, it is looking unlikely that we will achieve the required level of performance in Quarter 4.

5.2.2 Number of serious falls

The Trust saw a decrease overall in the number of falls during 2012/13 and reduced the number of falls resulting in serious harm by a third. However there was an increase in the number of falls which had the injury identified as contributing to the patient's death. In 2012/13 this increased to 4 patients compared with one in the previous year. A comprehensive action plan to ensure ongoing reduction of falls and the impact/harm for patients was presented to the Trust Board in February 2013. The Quality and Safety Committee are monitoring the impact of those actions.

5.2.3 Liquidity

At the end of the 2012/13 financial year the Trust recorded a liquidity rating 2. This is made up of the Trust having £10.1m Net Liquid Assets and operating expenditure of £289.3m. This gives the Trust a 'Liquidity days' metric of 13 days and therefore a Liquidity rating of 2.

The Trust is planning a £1.2m surplus within the financial year 2013/14 with a strategy to use all the in year surplus to improve the cash held by the Trust. However without a provision of a liquidity loan the Trust will continue to deliver a Liquidity Rating of 2, as the Net Liquid Assets are £11m and the forecast Operating Expenditure is £286m, giving a Liquidity Days Metric of 14 days, a Liquidity Rating remaining at 2.

As a result, discussions with the NHS TDA regarding the Trust's historic liquidity balance sheet position are ongoing to enable the Trust to progress its FT application.

6 Conclusion

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed in a number of ways. The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance through the Assurance Framework and on the controls reviewed as part of the internal audit work. Executive managers within the organisation who have responsibility for the development and maintenance of the system of internal control provide me with assurance. The Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the

organisation achieving its principal objectives have been reviewed.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Trust Board, Audit Committee, Finance Committee, Clinical Quality and Safety Committee, Hospital Executive Committee, and Risk Committee. A plan to address weaknesses and ensure continuous improvement of the system is in place.

The Trust Board is responsible for ensuring that the Trust follows the principles of sound governance and this responsibility rests unequivocally with the Board. The Board is required to produce statements of assurance that it is doing its "reasonable best" to ensure the Trust meets its objectives and protect patients, staff, the public and other stakeholders against risks of all kinds. The Trust Board is able to demonstrate:

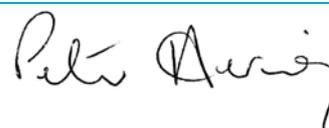
- That they have been informed through assurances about all risks not just financial.
- That they have arrived at their conclusions on the totality of risk based on all the evidence presented to them.

The Trust's ability to handle risk is further enhanced through the Governance and Committee/Group structure. Each Committee/Group has terms of reference that clearly define their role and responsibilities with clearly stated deputies.

The Trust Board has received assurance on the effectiveness of the controls within the organisation through the following means:

- Reports from Committees set up by the Trust Board
- Reports from Executive Directors and key managers
- External Reviews
- Board Assurance Framework.
- Internal Audit provide the Board, through the Audit Committee, and the Accounting Officer with an independent and objective opinion on risk management, control and governance and their effectiveness in achieving the organisation's agreed objectives. This opinion forms part of the framework of assurances that the Board receives. The annual Internal Audit Plan is aligned to the Trust's Assurance Framework and Risk Register.

Peter Herring, Chief Executive, 6 June 2013



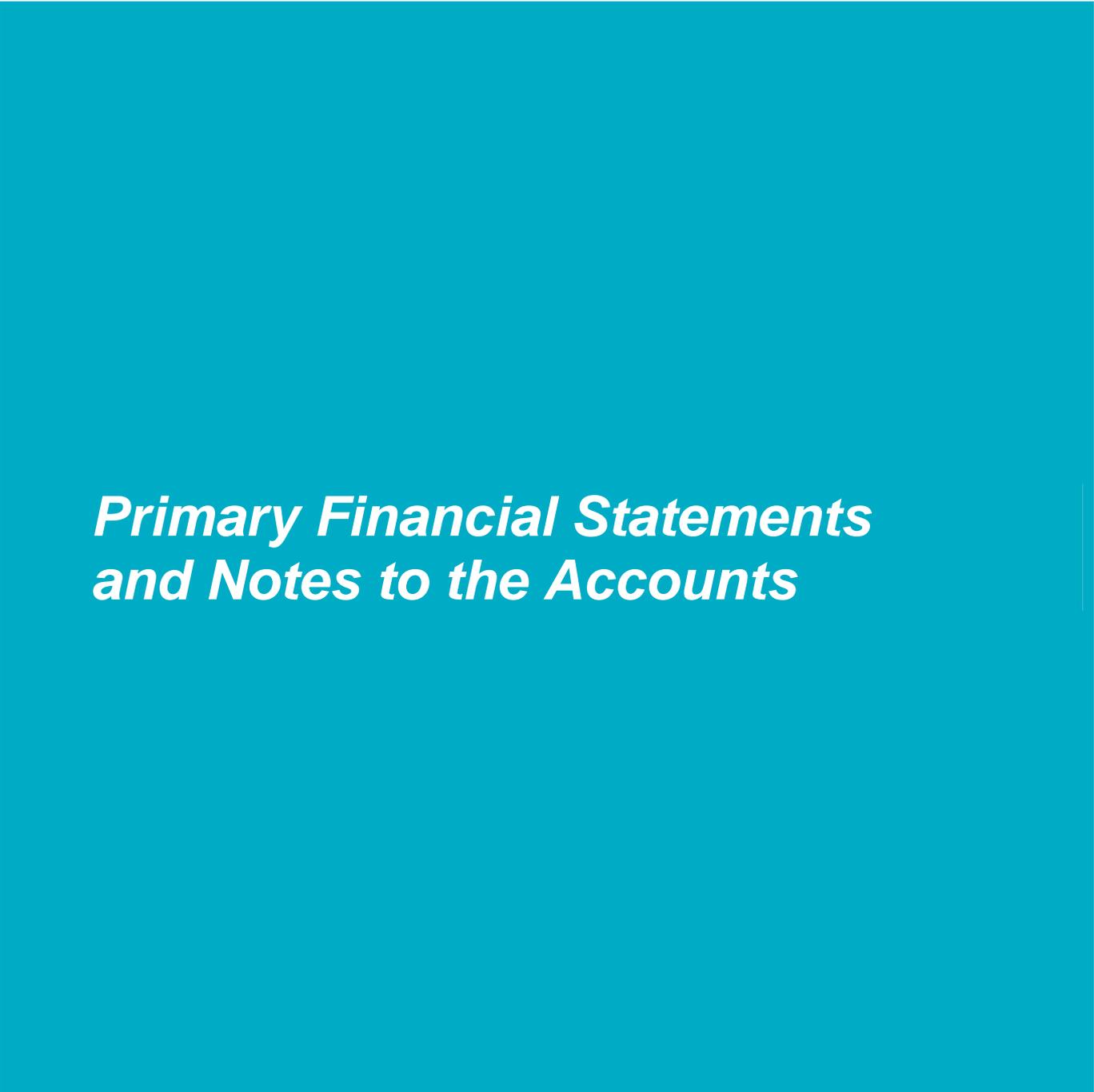
Foreword to the Accounts

These accounts for the year ended 31 March 2013 have been prepared by The Shrewsbury and Telford Hospital NHS Trust in accordance with the NHS Finance Manual: Manual for Accounts 2012/13

A rectangular box containing a handwritten signature in black ink. The signature appears to read "Peter Herring".

Peter Herring
Chief Executive
6 June 2013

Annex to Appendix 7



***Primary Financial Statements
and Notes to the Accounts***

**Statement of Comprehensive Income for year ended
31 March 2013**

	NOTE	2012-13 £000	2011-12 £000
Employee benefits	10.1	(202,463)	(200,011)
Other costs	8	(98,332)	(95,892)
Revenue from patient care activities	5	275,812	271,131
Other Operating revenue	6	33,550	28,719
Operating surplus		8,567	3,947
Investment revenue	12	20	21
Other gains and (losses)	13	(5)	0
Finance costs	14	(30)	(13)
Surplus for the financial year		8,552	3,955
Public dividend capital dividends payable		(5,336)	(5,122)
Retained surplus/(deficit) for the year		3,216	(1,167)

Other Comprehensive Income

	2012-13 £000	2011-12 £000
Impairments and reversals	(3,829)	(1,032)
Net gain/(loss) on revaluation of property, plant & equipment	1,580	10,090
Total comprehensive income for the year	967	7,891

Financial performance for the year

Retained surplus/(deficit) for the year	3,216	(1,167)
Impairments	2,148	1,053
Adjustments iro donated asset elimination	(5,283)	173
Adjusted retained surplus	81	59

A Trust's Reported NHS financial performance position is derived from its retained surplus/(deficit) and adjusted for the following:-

Impairments to Fixed Assets - an impairment charge is not considered part of the organisation's operating position. Adjustments relating to donated asset reserves which have now been eliminated.

PDC dividends have been overpaid or underpaid in aggregate, the amounts due to or from the Trust are:

PDC dividend: balance receivable at 31 March 2013	<u>73</u>	
PDC dividend: balance payable at 1 April 2012		<u>(111)</u>

The notes on pages 6 to 42 form part of this account.

**Statement of Financial Position as at
31 March 2013**

		31 March 2013	31 March 2012
	NOTE	£000s	£000s
Non-current assets:			
Property, plant and equipment	15	173,270	167,833
Intangible assets	16	1,330	1,269
Investment property	18	0	0
Other financial assets	24	0	0
Trade and other receivables	22.1	1,709	1,443
Total non-current assets		176,309	170,545
Current assets:			
Inventories	21	5,741	5,349
Trade and other receivables	22.1	10,910	12,827
Other financial assets	24	0	0
Other current assets	25	0	0
Cash and cash equivalents	26	2,200	1,202
Total current assets		18,851	19,378
Non-current assets held for sale	27	0	0
Total current assets		18,851	19,378
Total assets		195,160	189,923
Current liabilities			
Trade and other payables	28	(26,153)	(29,846)
Other liabilities	29	0	0
Provisions	35	(631)	(556)
Borrowings	30	0	0
Other financial liabilities	31	0	0
Total current liabilities		(26,784)	(30,402)
Non-current assets less net current liabilities		168,376	159,521
Non-current liabilities			
Trade and other payables	28	0	0
Other Liabilities	31	0	0
Provisions	35	(329)	(390)
Borrowings	30	0	0
Other financial liabilities	31	0	0
Total non-current liabilities		(329)	(390)
Total Assets Employed:		168,047	159,131
FINANCED BY:			
TAXPAYERS' EQUITY			
Public Dividend Capital		153,571	145,622
Retained earnings		(27,486)	(30,702)
Revaluation reserve		41,962	44,211
Total Taxpayers' Equity:		168,047	159,131

The notes on pages 6 to 42 form part of this account.

The financial statements on pages 2 to 5 were approved by the Board on 6 June 2013 and signed on its behalf by

Chief Executive: 

Date: **41,431**

**Statement of Changes in Taxpayers' Equity
For the year ended 31 March 2013**

	Public Dividend capital £000s	Retained earnings £000s	Revaluation reserve £000s	Total reserves £000s
Balance at 1 April 2012	145,622	(30,702)	44,211	159,131
Changes in taxpayers' equity for 2012-13				
Retained surplus for the year	0	3,216	0	3,216
Net gain / (loss) on revaluation of property, plant, equipment	0	0	1,580	1,580
Net gain / (loss) on revaluation of intangible assets	0	0	0	0
Net gain / (loss) on revaluation of financial assets	0	0	0	0
Net gain / (loss) on revaluation of assets held for sale	0	0	0	0
Impairments and reversals	0	0	(3,829)	(3,829)
Movements in other reserves	0	0	0	0
Transfers between reserves	0	0	0	0
Release of reserves to Statement of Comprehensive Income	0	0	0	0
Reclassification Adjustments				
Transfers between Revaluation Reserve & Retained Earnings in respect of assets transferred under absorption	0	0	0	0
On Disposal of Available for Sale financial Assets	0	0	0	0
Reserves eliminated on dissolution	0	0	0	0
Originating capital for Trust established in year	0	0	0	0
New PDC Received	7,949	0	0	7,949
PDC Repaid In Year	0	0	0	0
PDC Written Off	0	0	0	0
Other Movements in PDC In Year	0	0	0	0
Net recognised revenue/(expense) for the year	7,949	3,216	(2,249)	8,916
Balance at 31 March 2013	153,571	(27,486)	41,962	168,047
Balance at 1 April 2011	143,622	(29,535)	35,153	149,240
Changes in taxpayers' equity for the year ended 31 March 2012				
Retained deficit for the year	0	(1,167)	0	(1,167)
Net gain / (loss) on revaluation of property, plant, equipment	0	0	10,090	10,090
Net gain / (loss) on revaluation of intangible assets	0	0	0	0
Net gain / (loss) on revaluation of financial assets	0	0	0	0
Net gain / (loss) on revaluation of assets held for sale	0	0	0	0
Impairments and reversals	0	0	(1,032)	(1,032)
Movements in other reserves	0	0	0	0
Transfers between reserves	0	0	0	0
Release of reserves to Statement of Comprehensive Income	0	0	0	0
Reclassification Adjustments				
On Disposal of Available for Sale financial Assets	0	0	0	0
Reserves eliminated on dissolution	0	0	0	0
Originating capital for Trust established in year	0	0	0	0
New PDC Received	2,000	0	0	2,000
PDC Repaid In Year	0	0	0	0
PDC Written Off	0	0	0	0
Other Movements in PDC In Year	0	0	0	0
Net recognised revenue/(expense) for the year	2,000	(1,167)	9,058	9,891
Balance at 31 March 2012	145,622	(30,702)	44,211	159,131

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED

31 March 2013

	NOTE	2012-13 £000s	2011-12 £000s
Cash Flows from Operating Activities			
Operating Surplus/Deficit		8,567	3,947
Depreciation and Amortisation	8	9,332	9,450
Impairments and Reversals	8	2,148	1,053
Other Gains / (Losses) on foreign exchange		0	0
Donated Assets received credited to revenue but non-cash		(6,109)	(882)
Government Granted Assets received credited to revenue but non-cash		0	0
Interest Paid		0	0
Dividend Paid		(5,520)	(5,014)
Release of PFI/deferred credit		0	0
Increase in Inventories		(392)	(697)
Decrease in Trade and Other Receivables		1,651	878
(Increase)/Decrease in Other Current Assets		0	0
Decrease in Trade and Other Payables		(2,132)	(2,798)
(Increase)/Decrease in Other Current Liabilities		0	0
Provisions Utilised	35	(331)	(792)
Increase in Provisions	35	315	415
Net Cash Inflow from Operating Activities		7,529	5,560
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received		20	19
Payments for Property, Plant and Equipment		(20,218)	(10,049)
Payments for Intangible Assets		(397)	(399)
Payments for Investments with DH		0	0
Payments for Other Financial Assets		0	0
Proceeds of disposal of assets held for sale (PPE)		6	0
Proceeds of disposal of assets held for sale (Intangible)		0	0
Proceeds from Disposal of Investment with DH		0	0
Proceeds from Disposal of Other Financial Assets		0	0
Rental Revenue		0	0
Net Cash Outflow from Investing Activities		(20,589)	(10,429)
NET CASH OUTFLOW BEFORE FINANCING		(13,060)	(4,869)
CASH FLOWS FROM FINANCING ACTIVITIES			
Public Dividend Capital Received		7,949	2,000
Public Dividend Capital Repaid		0	0
Loans received from DH - New Capital Investment Loans		0	0
Loans received from DH - New Revenue Support Loans		0	0
Other Loans Received		0	0
Loans repaid to DH - Capital Investment Loans Repayment of Principal		0	0
Loans repaid to DH -Revenue Support Loans		0	0
Other Loans Repaid		0	0
Capital Element of Payments in Respect of Finance Leases		0	(4)
Capital grants and other capital receipts		6,109	3,842
Net Cash Inflow from Financing Activities		14,058	5,838
NET INCREASE IN CASH AND CASH EQUIVALENTS		998	969
Cash and Cash Equivalents at Beginning of the Period	26	1,202	233
Effect of Exchange Rate Changes in the Balance of Cash Held in Foreign Currencies		0	0
Cash and Cash Equivalents at year end	26	2,200	1,202

NOTES TO THE ACCOUNTS

1. Accounting Policies

The Secretary of State for Health has directed that the financial statements of NHS trusts shall meet the accounting requirements of the NHS Trusts Manual for Accounts, which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the 2012-13 NHS 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. Where the NHS Trusts Manual for Accounts permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the trust for the purpose of giving a true and fair view has been selected. The particular policies adopted by the trust are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities.

1.2 Acquisitions and discontinued operations

Activities are considered to be 'acquired' only if they are taken on from outside the public sector. Activities are considered to be 'discontinued' only if they cease entirely. They are not considered to be 'discontinued' if they transfer from one public sector body to another.

1.3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

1.3.1 Critical judgements in applying accounting policies

The management has had to make no critical judgements, apart from those involving estimations (see below) in the process of applying the Trust's accounting policies.

1.3.2 Key sources of estimation uncertainty

Key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included in the relevant accounting policy note.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.4 Revenue

Revenue in respect of services provided is recognised when, and to the extent that, performance occurs, and is measured at the fair value of the consideration receivable. The main source of revenue for the Trust is from commissioners for healthcare services. Revenue relating to patient care spells that are part-completed at the year end are apportioned across the financial years on the basis of length of stay at the end of the reporting period compared to expected total length of stay.

Where income is received for a specific activity that is to be delivered in the following year, that income is deferred.

The Trust receives income under the NHS Injury Cost Recovery Scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid e.g. by an insurer. The Trust recognises the income when it receives notification from the Department of Work and Pension's Compensation Recovery Unit that the individual has lodged a compensation claim. The income is measured at the agreed tariff for the treatments provided to the injured individual, less a provision for unsuccessful compensation claims and doubtful debts.

1.5 Employee Benefits

Short-term employee benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees.

The cost of leave earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry forward leave into the following period.

Retirement benefit costs

Past and present employees are covered by the provisions of the NHS Pensions Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to expenditure at the time the Trust commits itself to the retirement, regardless of the method of payment.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.6 Other expenses

Other operating expenses are recognised when, and to the extent that, the goods or services have been received. They are measured at the fair value of the consideration payable.

1.7 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised if:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential will be supplied to, the trust;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- the item has cost of at least £5,000; or
- Collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- Items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, the components are treated as separate assets and depreciated over their own useful economic lives.

Valuation

All property, plant and equipment are measured initially at cost, representing the cost directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. All assets are measured subsequently at fair value.

Land and buildings used for the Trust's services or for administrative purposes are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. Fair values are determined as follows:

- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost

Notes to the Accounts - 1. Accounting Policies (Continued)

Until 31 March 2008, the depreciated replacement cost of specialised buildings has been estimated for an exact replacement of the asset in its present location. HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued.

Within the year the Trust instructed the District Valuer to perform a brought into use valuation for the Cancer Centre. The effect of this was to recognise an impairment in the value of £1,436,763.

The Trust also instructed the District Valuer to perform an interim revaluation of assets at 31 March 2013. The effect of this was to recognise a decrease in the value of fixed assets by £4,470,858. In addition, and as part of this year end valuation, the Trust recognised an increase in the value of fixed assets by £1,511,095 resulting in an overall net decrease in the valuation of fixed assets of £2,959,763. In addition £69,481 has been reclassified from impairment charged to revaluation reserve to impairment charged to expenditure.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 for assets held at fair value. Assets are revalued and depreciation commences when they are brought into use.

Until 31 March 2008, fixtures and equipment were carried at replacement cost, as assessed by indexation and depreciation of historic cost. From 1 April 2008 indexation has ceased. The carrying value of existing assets at that date will be written off over their remaining useful lives and new fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value.

An increase arising on revaluation is taken to the revaluation reserve except when it reverses an impairment for the same asset previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Impairment losses that arise from a clear consumption of economic benefit should be taken to expenditure. Gains and losses recognised in the revaluation reserve are reported as other comprehensive income in the Statement of Comprehensive Income.

Subsequent expenditure

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is capitalised. Where subsequent expenditure restores the asset to its original specification, the expenditure is capitalised and any existing carrying value of the item replaced is written-out and charged to operating expenses.

1.8 Intangible assets

Recognition

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the trust's business or which arise from contractual or other legal rights. They are recognised only when it is probable that future economic benefits will flow to, or service potential be provided to, the trust; where the cost of the asset can be measured reliably, and where the cost is at least £5,000.

Intangible assets acquired separately are initially recognised at fair value. Software that is integral to the operating of hardware, for example an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible asset. Expenditure on research is not capitalised: it is recognised as an operating expense in the period in which it is incurred. Internally-generated assets are recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use
- the intention to complete the intangible asset and use it
- the ability to sell or use the intangible asset
- how the intangible asset will generate probable future economic benefits or service potential
- the availability of adequate technical, financial and other resources to complete the intangible asset and sell or use it
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Notes to the Accounts - 1. Accounting Policies (Continued)

Measurement

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the criteria above are initially met. Where no internally-generated intangible asset can be recognised, the expenditure is recognised in the period in which it is incurred.

Following initial recognition, intangible assets are carried at fair value by reference to an active market, or, where no active market exists, at amortised replacement cost (modern equivalent assets basis), indexed for relevant price increases, as a proxy for fair value. Internally-developed software is held at historic cost to reflect the opposing effects of increases in development costs and technological advances.

1.9 Depreciation, amortisation and impairments

Tangible fixed assets are depreciated at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives:

Freehold buildings - over estimated useful life not exceeding 84 years.

Leaseholds - over the primary lease term.

Furniture and fittings - 5 to 15 years.

Transport Equipment - 7 to 10 years.

IT equipment - 5 to 10 years.

Plant and machinery - 5 to 20 years.

Intangible fixed assets are depreciated at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives:

Software Licences - 5 years

Freehold land, properties under construction, and assets held for sale are not depreciated.

Otherwise, depreciation and amortisation are charged to write off the costs or valuation of property, plant and equipment and intangible non-current assets, less any residual value, over their estimated useful lives, in a manner that reflects the consumption of economic benefits or service potential of the assets. The estimated useful life of an asset is the period over which the Trust expects to obtain economic benefits or service potential from the asset. This is specific to the Trust and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. Assets held under finance leases are depreciated over their estimated useful lives

At each reporting period end, the trust checks whether there is any indication that any of its tangible or intangible non-current assets have suffered an impairment loss. If there is indication of an impairment loss, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment annually.

A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Impairment losses that arise from a clear consumption of economic benefit should be taken to expenditure. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount but capped at the amount that would have been determined had there been no initial impairment loss. The reversal of the impairment loss is credited to expenditure to the extent of the decrease previously charged there and thereafter to the revaluation reserve.

Impairments are analysed between Departmental Expenditure Limits (DEL) and Annually Managed Expenditure (AME) from 2011-12. This is necessary to comply with Treasury's budgeting guidance. DEL limits are set in the Spending Review and Departments may not exceed the limits that they have been set. AME budgets are set by the Treasury and may be reviewed with departments in the run-up to the Budget. Departments need to monitor AME closely and inform Treasury if they expect AME spending to rise above forecast. Whilst Treasury accepts that in some areas of AME inherent volatility may mean departments do not have the ability to manage the spending within budgets in that financial year, any expected increases in AME require Treasury approval.

1.10 Donated assets

Following the accounting policy change outlined in the Treasury FREM for 2011-12, a donated asset reserve is no longer maintained. Donated non-current assets are capitalised at their fair value on receipt, with a matching credit to Income. They are valued, depreciated and impaired as described above for purchased assets. Gains and losses on revaluations, impairments and sales are as described above for purchased assets. Deferred income is recognised only where conditions attached to the donation preclude immediate recognition of the gain. This accounting policy change has been applied retrospectively.

1.11 Government grants

The Trust does not hold any Government grants within the year or prior year. Therefore there is a nil impact following the accounting policy change outlined in the Treasury FREM for 2012-13.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.12 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met when the sale is highly probable, the asset is available for immediate sale in its present condition and management is committed to the sale, which is expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Fair value is open market value including alternative uses.

The profit or loss arising on disposal of an asset is the difference between the sale proceeds and the carrying amount and is recognised in the Statement of Comprehensive Income. On disposal, the balance for the asset on the revaluation reserve is transferred to retained earnings. For donated and government-granted assets, a transfer is made to or from the relevant reserve to the profit/loss on disposal account so that no profit or loss is recognised in income or expenses. The remaining surplus or deficit in the donated asset or government grant reserve is then transferred to retained earnings.

Property, plant and equipment that is to be scrapped or demolished does not qualify for recognition as held for sale. Instead, it is retained as an operational asset and its economic life is adjusted. The asset is de-recognised when it is scrapped or demolished.

1.13 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

The Trust as lessee

Property, plant and equipment held under finance leases are initially recognised, at the inception of the lease, at fair value or, if lower, at the present value of the minimum lease payments, with a matching liability for the lease obligation to the lessor. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate on interest on the remaining balance of the liability. Finance charges are recognised in calculating the Trust's surplus/deficit.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

Contingent rentals are recognised as an expense in the period in which they are incurred.

Where a lease is for land and buildings, the land and building components are separated and individually assessed as to whether they are operating or finance leases.

The Trust as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Trust's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the trust's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.14 Private Finance Initiative (PFI) transactions

The Trust has no PFI agreements.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.15 Inventories

Inventories are valued at the lower of cost and net realisable value using the replacement cost. This is considered to be a reasonable approximation to fair value.

1.16 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the Trust's cash management.

1.17 Provisions

Provisions are recognised when the Trust has a present legal or constructive obligation as a result of a past event, it is probable that the Trust will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using HM Treasury's discount rate of 2.2% in real terms (2.35% for employee early departure obligations).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the Trust has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

A restructuring provision is recognised when the Trust has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with ongoing activities of the entity.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.18 Clinical negligence costs

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the Trust pays an annual contribution to the NHSLA which in return settles all clinical negligence claims. The contribution is charged to expenditure. Although the NHSLA is administratively responsible for all clinical negligence cases the legal liability remains with the Trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the Trust is disclosed at note 35.

1.19 Non-clinical risk pooling

The Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the trust pays an annual contribution to the NHS Litigation Authority and, in return, receives assistance with the costs of claims arising. The annual membership contributions, and any excesses payable in respect of particular claims are charged to operating expenses as and when they become due.

1.20 EU Emissions Trading Scheme

EU Emission Trading Scheme allowances are accounted for as government grant funded intangible assets if they are not expected to be realised within twelve months, and otherwise as other current assets. They are valued at open market value. As the NHS body makes emissions, a provision is recognised with an offsetting transfer from deferred income. The provision is settled on surrender of the allowances. The asset, provision and deferred income amounts are valued at fair value at the end of the reporting period.

1.21 Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Trust, or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably. A contingent liability is disclosed unless the possibility of a payment is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Trust. A contingent asset is disclosed where an inflow of economic benefits is probable.

Where the time value of money is material, contingencies are disclosed at their present value.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.22 Financial assets

Financial assets are recognised when the Trust becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or the asset has been transferred.

Financial assets are initially recognised at fair value.

Financial assets are classified into the following categories: financial assets at fair value through profit and loss; held to maturity investments; available for sale financial assets, and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at fair value through profit and loss

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial assets at fair value through profit and loss. They are held at fair value, with any resultant gain or loss recognised in calculating the Trust's surplus or deficit for the year. The net gain or loss incorporates any interest earned on the financial asset.

Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity, and there is a positive intention and ability to hold to maturity. After initial recognition, they are held at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

Available for sale financial assets

Available for sale financial assets are non-derivative financial assets that are designated as available for sale or that do not fall within any of the other three financial asset classifications. They are measured at fair value with changes in value taken to the revaluation reserve, with the exception of impairment losses. Accumulated gains or losses are recycled to surplus/deficit on de-recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. After initial recognition, they are measured at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

Fair value is determined by reference to quoted market prices where possible, otherwise by valuation techniques.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, to the initial fair value of the financial asset.

At the end of the reporting period, the Trust assesses whether any financial assets, other than those held at 'fair value through profit and loss' are impaired. Financial assets are impaired and impairment losses recognised if there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in expenditure and the carrying amount of the asset is reduced through a provision for impairment of receivables.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through expenditure to the extent that the carrying amount of the receivable at the date of the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.23 Financial liabilities

Financial liabilities are recognised on the statement of financial position when the Trust becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired.

Loans from the Department of Health are recognised at historical cost. Otherwise, financial liabilities are initially recognised at fair value.

Financial guarantee contract liabilities

Financial guarantee contract liabilities are subsequently measured at the higher of:

The premium received (or imputed) for entering into the guarantee less cumulative amortisation.

The amount of the obligation under the contract, as determined in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Financial liabilities at fair value through profit and loss

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial liabilities at fair value through profit and loss. They are held at fair value, with any resultant gain or loss recognised in the Trust's surplus/deficit. The net gain or loss incorporates any interest payable on the financial liability.

Other financial liabilities

After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method, except for loans from Department of Health, which are carried at historic cost. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the net carrying amount of the financial liability. Interest is recognised using the effective interest method.

1.24 Value Added Tax

Most of the activities of the Trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.25 Foreign currencies

The Trust's functional currency and presentational currency is sterling. Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the spot exchange rate on 31 March. Resulting exchange gains and losses for either of these are recognised in the Trust's surplus/deficit in the period in which they arise.

1.26 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Trust has no beneficial interest in them. Details of third party assets are given in Note 44 to the accounts.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.27 Public Dividend Capital (PDC) and PDC dividend

Public dividend capital represents taxpayers' equity in the NHS trust. At any time the Secretary of State can issue new PDC to, and require repayments of PDC from, the trust. PDC is recorded at the value received. As PDC is issued under legislation rather than under contract, it is not treated as an equity financial instrument.

An annual charge, reflecting the cost of capital utilised by the trust, is payable to the Department of Health as public dividend capital dividend. The charge is calculated at the real rate set by HM Treasury (currently 3.5%) on the average carrying amount of all assets less liabilities, except for donated assets and cash balances with the Government Banking Service. The average carrying amount of assets is calculated as a simple average of opening and closing relevant net assets.

1.28 Losses and Special Payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled.

Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had NHS trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

1.29 Subsidiaries

There are no material entities in which the Trust has the power to exercise control to obtain economic or other benefits.

For 2011-12 and 2012-13 in accordance with the directed accounting policy from the Secretary of State, the Trust does not consolidate the NHS charitable funds for which it is the Corporate Trustee.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.30 Associates

There are no material entities in which the Trust has the power to exercise significant influence to obtain economic or other benefits.

1.31 Joint ventures

There are no material entities in which the Trust has joint control with one or more other parties to obtain economic or other benefits.

1.32 Joint operations

There are no joint operations in which the Trust participates in with one or more other parties.

1.33 Research and Development

Research and development expenditure is charged against income in the year in which it is incurred, except in so far as development expenditure relates to a clearly defined project and the benefits of it can reasonably be regarded as assured. Expenditure so deferred is limited to the value of future benefits expected and is amortised through the Operating Cost Statement on a systematic basis over the period expected to benefit from the project. It should be revalued on the basis of current cost. The amortisation is calculated on the same basis as depreciation, on a monthly basis.

1.34 Accounting Standards that have been issued but have not yet been adopted

The Treasury FReM does not require the following Standards and Interpretations to be applied in 2012-13. The application of the Standards as revised would not have a material impact on the accounts for 2012-13, were they applied in that year:

IAS 27 Separate Financial Statements - subject to consultation

IAS 28 Investments in Associates and Joint Ventures - subject to consultation

IFRS 9 Financial Instruments - subject to consultation - subject to consultation

IFRS 10 Consolidated Financial Statements - subject to consultation

IFRS 11 Joint Arrangements - subject to consultation

IFRS 12 Disclosure of Interests in Other Entities - subject to consultation

IFRS 13 Fair Value Measurement - subject to consultation

IPSAS 32 - Service Concession Arrangement - subject to consultation

2. Pooled budgets

The Trust has no pooled budget arrangements.

3. Operating segments

The Board as 'Chief Operating Decision Maker' has determined that the Trust operates in one material segment, which is the provision of healthcare services. The segmental reporting format reflects the Trust's management and internal reporting structure.

The provision of healthcare (including medical treatment, research and education) is within one main geographical segment, the United Kingdom, and materially funded by Departments of HM Government in England.

Income from activities (medical treatment of patients) is analysed by customer type in note 5 below. Other operating income is analysed in note 6 and materially consists of revenues from medical education and the provision of services to other NHS bodies. Total income from individual customers within the whole of HM Government is considered material, and is disclosed in the related parties transactions in note 41.

4. Income generation activities

The Trust undertakes income generation activities with an aim of achieving profit, which is then used in patient care. The Trust has no income generation activities whose full cost exceeded £1m.

5. Revenue from patient care activities	2012-13	2011-12
	£000s	£000s
NHS Trusts	0	271
Primary Care Trusts - tariff	173,302	167,231
Primary Care Trusts - non-tariff	67,856	70,976
Primary Care Trusts - market forces factor	4,549	4,508
NHS Foundation Trusts	843	698
Non-NHS:		
Private patients	2,279	2,289
Overseas patients (non-reciprocal)	36	94
Injury costs recovery*	1,709	1,443
Other**	25,238	23,621
Total Revenue from patient care activities	<u>275,812</u>	<u>271,131</u>

*Injury cost recovery income is subject to a provision for impairment of receivables of 12.6% (previously 10.5% to August 2012) to reflect expected rates of collection.

**Non-NHS-Other includes income of £24m from Welsh bodies (2011-12: £22m).

6. Other operating revenue	2012-13	2011-12
	£000s	£000s
Education, training and research	12,193	11,539
Receipt of donations for capital acquisitions	6,109	882
Non-patient care services to other bodies	3,572	3,618
Income generation	2,898	2,816
Other revenue*	8,778	9,864
Total Other Operating Revenue	<u>33,550</u>	<u>28,719</u>
Total operating revenue	<u>309,362</u>	<u>299,850</u>

* Other revenue includes £4.96m financial support from the SHA (2011-12: £6.5m).

7. Revenue	2012-13	2011-12
	£000	£000
From rendering of services	309,362	299,850

Revenue is almost totally from the supply of services. Revenue from the sale of goods is immaterial.

8. Operating expenses (excluding employee benefits)	2012-13	2011-12
	£000s	£000s
Purchase of healthcare from non NHS bodies	234	1,240
Trust Chair and Non-executive Directors	54	66
Supplies and services - clinical	51,427	49,883
Supplies and services - general	4,639	4,440
Consultancy services	772	1,926
Establishment	4,647	4,364
Transport	3,701	3,331
Premises	12,860	12,276
Impairments and Reversals of Receivables	426	469
Inventories write down	0	61
Depreciation	8,995	9,201
Amortisation	337	249
Impairments and reversals of property, plant and equipment	2,148	1,053
Audit fees	135	205
Clinical negligence	6,318	6,001
Education and Training	745	705
Other	894	422
Total Operating expenses (excluding employee benefits)	<u>98,332</u>	<u>95,892</u>
 Employee benefits		
Employee benefits excluding Board members	201,355	198,858
Board members	1,108	1,153
Total employee benefits	<u>202,463</u>	<u>200,011</u>
 Total operating expenses	<u>300,795</u>	<u>295,903</u>

9 Operating Leases

The Trust has two operating leases relating to investments in replacing the boiler plants. The term of the lease at the Princess Royal Hospital is 12 years and commenced 1 July 2003. The term of the lease at the Royal Shrewsbury Hospital is 15 years and commenced 1 April 2007.

The Trust has a contract for the provision of Biochemistry and Haematology service, comprising immunoassay, clinical chemistry, haematology, software and pre-analytics. The term of the contract is seven years and commenced 1 May 2007.

The Trust has a contract for computerised digital imaging and archiving service contracts within Radiology. The term of the contract, which covers the Royal Shrewsbury Hospital and the Princess Royal Hospital, is 7 years and commenced on 17 March 2012.

The Trust has a lease for printing services for both hospitals. The term of the lease is 5 years and commenced 1 September 2009.

The Trust has two property leases for off site office accommodation and an off site sterile services facility with lease terms of 3 years and 20 years respectively both commencing 1 April 2010.

The Trust has entered into a lease, commencing 1 April 2011, for the provision of staff residential accommodation facilities at the Royal Shrewsbury Hospital.

The Trust also leases cars and adhoc medical equipment.

9.1 Trust as lessee	Buildings	Other	2012-13	2011-12
	£000s	£000s	Total	Total
			£000s	£000s
Payments recognised as an expense				
Minimum lease payments	549	3,306	3,855	3,983
Contingent rents	0	0	0	0
Sub-lease payments	0	0	0	0
Total	549	3,306	3,855	3,983
Payable:				
No later than one year	507	3,314	3,821	3,958
Between one and five years	1,343	8,174	9,517	11,030
After five years	2,784	5,665	8,449	11,151
Total	4,634	17,153	21,787	26,139

9.2 Trust as lessor

The Trust does not have any leasing arrangements where it acts as a lessor.

10 Employee benefits and staff numbers

10.1 Employee benefits

	Total £000s	Permanently employed £000s	Other £000s
Employee Benefits 2012-13			
Salaries and wages	172,523	152,102	20,421
Social security costs	12,393	12,393	0
Employer Contributions to NHS BSA - Pensions Division	18,142	18,142	0
Other pension costs	0	0	0
Other post-employment benefits	0	0	0
Other employment benefits	0	0	0
Termination benefits	152	152	0
Total employee benefits including capitalised costs	203,210	182,789	20,421
Employee costs capitalised	747	635	112
Employee Benefits excluding capitalised costs	202,463	182,154	20,309

	Total £000s	Permanently employed £000s	Other £000s
Employee Benefits 2011-12			
Salaries and wages	170,978	149,035	21,943
Social security costs	11,926	11,926	0
Employer Contributions to NHS BSA - Pensions Division	17,694	17,694	0
Other pension costs	0	0	0
Other post-employment benefits	0	0	0
Other employment benefits	0	0	0
Termination benefits	0	0	0
Total employee benefits including capitalised costs	200,598	178,655	21,943
Employee costs capitalised	587		
Employee Benefits excluding capitalised costs	200,011		

10.2 Staff Numbers

	Total Number	2012-13 Permanently employed Number	Other Number	2011-12 Total Number
Average Staff Numbers				
Medical and dental	656	607	49	606
Administration and estates	1,047	937	110	1,044
Healthcare assistants and other support staff	1,044	919	125	1,072
Nursing, midwifery and health visiting staff	1,480	1,380	100	1,437
Scientific, therapeutic and technical staff	661	644	17	677
TOTAL	4,888	4,487	401	4,836
Of the above - staff engaged on capital projects	15	13	2	14

10.3 Staff Sickness absence and ill health retirements

	2012-13 Number	2011-12 Number
Total Days Lost	45,599	44,175
Total Staff Years	4,496	4,380
Average working Days Lost	10.14	10.09

These figures are calendar year figures (January - December) not financial year figures.

	2012-13 Number	2011-12 Number
Number of persons retired early on ill health grounds	3	4
Total additional pensions liabilities accrued in the year	£000s 154	£000s 448

10.4 Exit Packages

Exit package cost band (including any special payment element)	2012-13			2011-12		
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
	Number	Number	Number	Number	Number	Number
Less than £10,000	0	5	5	0	0	0
£10,001-£25,000	0	2	2	0	0	0
£25,001-£50,000	0	0	0	0	0	0
£50,001-£100,000	0	1	1	0	0	0
£100,001 - £150,000	0	0	0	0	0	0
£150,001 - £200,000	0	0	0	0	0	0
>£200,000	0	0	0	0	0	0
Total number of exit packages by type (total cost)	0	8	8	0	0	0
Total resource cost (£000s)	0	152	152	0	0	0

This disclosure reports the number and value of exit packages taken by staff leaving in the year. Redundancy and other departure costs have been paid in accordance with the provisions of the MARS scheme.

10.5 Pension costs

Pensions Costs

Past and present employees are covered by the provisions of the NHS Pensions Scheme. Details of the benefits payable under these provisions can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. The scheme is an unfunded, defined benefit scheme that covers NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS Body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

a) Accounting valuation

A valuation of the scheme liability is carried out annually by the scheme actuary as at the end of the reporting period. Actuarial assessments are undertaken in intervening years between formal valuations using updated membership data and are accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2013, is based on the valuation data as 31 March 2012, updated to 31 March 2013 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Pension Accounts, published annually. These accounts can be viewed on the NHS Pensions website. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the scheme (taking into account its recent demographic experience), and to recommend the contribution rates.

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2004. Consequently, a formal actuarial valuation would have been due for the year ending 31 March 2008. However, formal actuarial valuations for unfunded public service schemes were suspended by HM Treasury on value for money grounds while consideration is given to recent changes to public service pensions, and while future scheme terms are developed as part of the reforms to public service pension provision due in 2015.

The Scheme Regulations were changed to allow contribution rates to be set by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.

The next formal valuation to be used for funding purposes will be carried out at as at March 2012 and will be used to inform the contribution rates to be used from 1 April 2015.

c) Scheme provisions

The NHS Pension Scheme provided defined benefits, which are summarised below. This list is an illustrative guide only, and is not intended to detail all the benefits provided by the Scheme or the specific conditions that must be met before these benefits can be obtained:

The Scheme is a "final salary" scheme. Annual pensions are normally based on 1/80th for the 1995 section and of the best of the last three years pensionable pay for each year of service, and 1/60th for the 2008 section of reckonable pay per year of membership. Members who are practitioners as defined by the Scheme Regulations have their annual pensions based upon total pensionable earnings over the relevant pensionable service.

With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum amount permitted under HMRC rules. This new provision is known as "pension commutation".

Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year. From 2011-12 the Consumer Price Index (CPI) will be used to replace the Retail Prices Index (RPI).

Early payment of a pension, with enhancement, is available to members of the scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice final year's pensionable pay for death in service, and five times their annual pension for death after retirement is payable.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the employer.

Members can purchase additional service in the NHS Scheme and contribute to money purchase AVC's run by the Scheme's approved providers or by other Free Standing Additional Voluntary Contributions (FSAVC) providers.

11 Better Payment Practice Code

11.1 Measure of compliance

	2012-13 Number	2012-13 £000s	2011-12 Number	2011-12 £000s
Non-NHS Payables				
Total Non-NHS Trade Invoices Paid in the Year	91,154	110,477	89,887	98,915
Total Non-NHS Trade Invoices Paid Within Target	54,877	74,531	75,177	78,743
Percentage of NHS Trade Invoices Paid Within Target	60.20%	67.46%	83.64%	79.61%
NHS Payables				
Total NHS Trade Invoices Paid in the Year	2,494	15,878	2,170	19,505
Total NHS Trade Invoices Paid Within Target	1,736	10,866	1,921	17,716
Percentage of NHS Trade Invoices Paid Within Target	69.61%	68.43%	88.53%	90.83%

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

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

There were immaterial amounts paid under this act during this year or the prior year.

12 Investment Income

	2012-13 £000s	2011-12 £000s
Interest Income		
Bank interest	20	21
Total investment income	20	21

13 Other Gains and Losses

	2012-13 £000s	2011-12 £000s
Loss on disposal of assets other than by sale (PPE)	(5)	0
Total	(5)	0

14 Finance Costs

	2012-13 £000s	2011-12 £000s
Provisions - unwinding of discount	30	13
Total	30	13

15.1 Property, plant and equipment

	Land	Buildings excluding dwellings	Dwellings	Assets under construction & payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
2012-13									
Cost or valuation:									
At 1 April 2012	26,290	110,915	2,714	7,910	37,025	278	8,659	4,632	198,423
Additions of Assets Under Construction				8,635					8,635
Additions Purchased	166	3,318	0	0	2,503	130	1,012	237	7,366
Additions Donated	0	1,890	0	0	719	0	34	196	2,839
Additions Government Granted	0	0	0	0	0	0	0	0	0
Additions Leased	0	0	0	0	0	0	0	0	0
Reclassifications	0	3,537	0	(3,552)	(54)	0	13	56	0
Reclassifications as Held for Sale and reversals	0	0	0	0	0	0	0	0	0
Disposals other than for sale	0	0	0	0	(3,125)	0	0	(29)	(3,154)
Upward revaluation/positive indexation	184	1,271	125	0	0	0	0	0	1,580
Impairments/negative indexation	0	(3,829)	0	0	0	0	0	0	(3,829)
Reversal of Impairments	0	0	0	0	0	0	0	0	0
Disposals other than by sale-cumulative depreciation adjustment	0	(7,245)	(125)	0	0	0	0	0	(7,370)
At 31 March 2013	26,640	109,857	2,714	12,993	37,068	408	9,718	5,092	204,490
Depreciation									
At 1 April 2012	0	294	0	0	22,067	94	6,005	2,130	30,590
Reclassifications	0	0	0	0	(29)	0	21	8	0
Reclassifications as Held for Sale and reversals	0	0	0	0	0	0	0	0	0
Disposals other than for sale	0	0	0	0	(3,114)	0	0	(28)	(3,142)
Upward revaluation/positive indexation	0	0	0	0	0	0	0	0	0
Impairments	0	2,148	0	0	0	0	0	0	2,148
Reversal of Impairments	0	0	0	0	0	0	0	0	0
Charged During the Year	0	5,086	145	0	2,550	25	854	335	8,995
Disposals other than by sale-cumulative depreciation adjustment	0	(7,226)	(145)	0	0	0	0	0	(7,371)
At 31 March 2013	0	302	0	0	21,474	119	6,880	2,445	31,220
Net Book Value at 31 March 2013	26,640	109,555	2,714	12,993	15,594	289	2,838	2,647	173,270
Purchased	26,640	103,172	2,714	12,993	12,495	289	2,754	2,367	163,424
Donated	0	6,383	0	0	3,099	0	84	280	9,846
Government Granted	0	0	0	0	0	0	0	0	0
Total at 31 March 2013	26,640	109,555	2,714	12,993	15,594	289	2,838	2,647	173,270
Asset financing:									
Owned	26,640	109,555	2,714	12,993	15,594	289	2,838	2,647	173,270
Held on finance lease	0	0	0	0	0	0	0	0	0
Total at 31 March 2013	26,640	109,555	2,714	12,993	15,594	289	2,838	2,647	173,270

Revaluation Reserve Balance for Property, Plant & Equipment

	Land	Buildings	Dwellings	Assets under construction & payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
At 1 April 2012	9,941	33,018	0	0	1,252	0	0	0	44,211
In year movements	184	(2,558)	125	0	0	0	0	0	(2,249)
At 31 March 2013	10,125	30,460	125	0	1,252	0	0	0	41,962

15.2 Property, plant and equipment prior-year

	Land	Buildings excluding dwellings	Dwellings	Assets under construction & payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
2011-12									
Cost or valuation:									
At 1 April 2011	26,305	128,636	2,744	369	35,773	278	7,673	4,547	206,325
Additions - purchased	0	1,097	0	4,376	2,329	0	1,003	48	8,853
Additions - donated	0	23	0	3,271	747	0	25	36	4,102
Additions - government granted	0	0	0	0	0	0	0	0	0
Reclassifications	0	43	0	(106)	0	0	14	0	(49)
Reclassifications as Held for Sale and reversals	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	(1,881)	0	(56)	0	(1,937)
Revaluation & indexation gains	0	9,796	294	0	0	0	0	0	10,090
Impairments	(15)	(1,017)	0	0	0	0	0	0	(1,032)
Reversals of impairments	0	0	0	0	0	0	0	0	0
Cumulative dep netted off cost following revaluation	0	(12,304)	(304)	0	0	0	0	0	(12,608)
At 31 March 2012	<u>26,290</u>	<u>126,274</u>	<u>2,734</u>	<u>7,910</u>	<u>36,968</u>	<u>278</u>	<u>8,659</u>	<u>4,631</u>	<u>213,744</u>
Depreciation									
At 1 April 2011	0	21,971	213		20,775	72	5,368	1,803	50,202
Reclassifications		0	0		0	0	0	0	0
Reclassifications as Held for Sale and reversals	0	0	0		0	0	0	0	0
Disposals other than for sale	0	0	0		(1,881)	0	(56)	0	(1,937)
Upward revaluation/positive indexation	0	0	0		0	0	0	0	0
Impairments	0	1,243	0	0	0	0	0	0	1,243
Reversal of Impairments	0	(190)	0	0	0	0	0	0	(190)
Charged During the Year	0	4,933	111	0	3,116	22	693	326	9,201
Cumulative dep netted off cost following revaluation	0	(12,304)	(304)	0	0	0	0	0	(12,608)
At 31 March 2012	<u>0</u>	<u>15,653</u>	<u>20</u>	<u>0</u>	<u>22,010</u>	<u>94</u>	<u>6,005</u>	<u>2,129</u>	<u>45,911</u>
Net book value at 31 March 2012	<u>26,290</u>	<u>110,621</u>	<u>2,714</u>	<u>7,910</u>	<u>14,958</u>	<u>184</u>	<u>2,654</u>	<u>2,502</u>	<u>167,833</u>
Purchased	26,290	108,048	2,714	4,639	12,057	184	2,581	2,393	158,906
Donated	0	2,573	0	3,271	2,901	0	73	109	8,927
Government Granted	0	0	0	0	0	0	0	0	0
Total at 31 March 2012	<u>26,290</u>	<u>110,621</u>	<u>2,714</u>	<u>7,910</u>	<u>14,958</u>	<u>184</u>	<u>2,654</u>	<u>2,502</u>	<u>167,833</u>
Asset financing:									
Owned	26,290	110,621	2,714	7,910	14,958	184	2,654	2,502	167,833
Held on finance lease	0	0	0	0	0	0	0	0	0
Total at 31 March 2012	<u>26,290</u>	<u>110,621</u>	<u>2,714</u>	<u>7,910</u>	<u>14,958</u>	<u>184</u>	<u>2,654</u>	<u>2,502</u>	<u>167,833</u>

15.3 (cont). Property, plant and equipment

Tangible fixed assets are depreciated at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives:

Freehold buildings - over estimated useful life not exceeding 84 years.

Leaseholds - over the primary lease term.

Furniture and fittings - 5 to 15 years.

Transport Equipment - 7 to 10 years.

IT equipment - 5 to 10 years.

Plant and machinery - 5 to 20 years.

The majority of donated assets have been donated by the Friends of the Royal Shrewsbury Hospital; Friends of The Princess Royal Hospital Telford; The Shrewsbury and Telford Hospital NHS Trust Charitable Funds and the Lingen Davies Cancer Relief Fund.

16.1 Intangible non-current assets

	Software internally generated £000's	Software purchased £000's	Licences & trademarks £000's	Patents £000's	Development expenditure £000's	Total £000's
2012-13						
At 1 April 2012	13	1,658	0	0	0	1,671
Additions - purchased	0	358	0	0	0	358
Additions - internally generated	40	0	0	0	0	40
Additions - donated	0	0	0	0	0	0
Additions - government granted	0	0	0	0	0	0
Additions - leased	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Reclassified as Held for Sale and Reversals	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0
Revaluation & indexation gains	0	0	0	0	0	0
Impairments charged to reserves	0	0	0	0	0	0
Reversal of impairments charged to reserves	0	0	0	0	0	0
At 31 March 2013	53	2,016	0	0	0	2,069
Amortisation						
At 1 April 2012	0	402	0	0	0	402
Reclassifications	0	0	0	0	0	0
Reclassified as Held for Sale and Reversals	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0
Revaluation or indexation gains	0	0	0	0	0	0
Impairments charged to operating expenses	0	0	0	0	0	0
Reversal of impairments charged to operating expenses	0	0	0	0	0	0
Charged during the year	3	334	0	0	0	337
At 31 March 2013	3	736	0	0	0	739
Net Book Value at 31 March 2013	50	1,280	0	0	0	1,330
Net book value at 31 March 2013 comprises:						
Purchased	50	1,237	0	0	0	1,287
Donated	0	43	0	0	0	43
Government Granted	0	0	0	0	0	0
Total at 31 March 2013	50	1,280	0	0	0	1,330
Revaluation reserve balance for intangible non-current assets						
	£000's	£000's	£000's	£000's	£000's	£000's
At 1 April 2012	0	0	0	0	0	0
In year movements	0	0	0	0	0	0
At 31 March 2013	0	0	0	0	0	0

16.2 Intangible non-current assets prior year

	Software internally generated £000s	Software purchased £000s	Licences & trademarks £000s	Patents £000s	Development expenditure £000s	Total £000s
2011-12						
Cost or valuation:						
At 1 April 2011	0	1,223	0	0	0	1,223
Additions - purchased	0	336	0	0	0	336
Additions - internally generated	13	0	0	0	0	13
Additions - donated	0	50	0	0	0	50
Additions - government granted	0	0	0	0	0	0
Reclassifications	0	49	0	0	0	49
Reclassified as held for sale	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0
Revaluation & indexation gains	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0
Less cumulative depreciation written down on revaluation	0	0	0	0	0	0
At 31 March 2012	<u>13</u>	<u>1,658</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,671</u>
Amortisation						
At 1 April 2011	0	153	0	0	0	153
Reclassifications	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0
Revaluation or indexation gains	0	0	0	0	0	0
Impairments charged to operating expenses	0	0	0	0	0	0
Reversal of impairments charged to operating expenses	0	0	0	0	0	0
Charged during the year	0	249	0	0	0	249
Less cumulative depreciation written down on revaluation	0	0	0	0	0	0
At 31 March 2012	<u>0</u>	<u>402</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>402</u>
Net book value at 31 March 2012	13	1,256	0	0	0	1,269
Net book value at 31 March 2012 comprises:						
Purchased	13	1,201	0	0	0	1,214
Donated	0	55	0	0	0	55
Government Granted	0	0	0	0	0	0
Total at 31 March 2012	<u>13</u>	<u>1,256</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,269</u>

16.3 Intangible non-current assets

The intangible assets held by the Trust relate to the purchase of software licenses and software that has been internally generated. These assets are written down over a useful economic life of 5 years.

There are no revaluation reserve balances for intangible assets.

17 Analysis of impairments and reversals recognised in 2012-13

	2012-13 Total £000s
Property, Plant and Equipment impairments and reversals taken to SoCI	
Loss or damage resulting from normal operations	0
Over-specification of assets	1,437 *
Abandonment of assets in the course of construction	0
Total charged to Departmental Expenditure Limit	<u>1,437</u>
Unforeseen obsolescence	0
Loss as a result of catastrophe	0
Other	0
Changes in market price	711 **
Total charged to Annually Managed Expenditure	<u>711</u>
Property, Plant and Equipment impairments and reversals charged to the revaluation reserve	
Loss or damage resulting from normal operations	0
Over Specification of Assets	0
Abandonment of assets in the course of construction	0
Unforeseen obsolescence	0
Loss as a result of catastrophe	0
Other	0
Changes in market price	3,829 **
Total impairments for PPE charged to reserves	<u>3,829</u>
Total Impairments of Property, Plant and Equipment	<u>5,977</u>
Intangible assets impairments and reversals charged to SoCI	
Loss or damage resulting from normal operations	0
Over-specification of assets	0
Abandonment of assets in the course of construction	0
Total charged to Departmental Expenditure Limit	<u>0</u>
Unforeseen obsolescence	0
Loss as a result of catastrophe	0
Other	0
Changes in market price	0
Total charged to Annually Managed Expenditure	<u>0</u>
Intangible Assets impairments and reversals charged to the Revaluation Reserve	
Loss or damage resulting from normal operations	0
Over-specification of assets	0
Abandonment of assets in the course of construction	0
Unforeseen obsolescence	0
Loss as a result of catastrophe	0
Other	0
Changes in market price	0
Total impairments for Intangible Assets charged to Reserves	<u>0</u>
Total Impairments of Intangibles	<u>0</u>
Financial Assets charged to SoCI	
Loss or damage resulting from normal operations	0
Total charged to Departmental Expenditure Limit	<u>0</u>
Loss as a result of catastrophe	0
Other	0
Total charged to Annually Managed Expenditure	<u>0</u>
Financial Assets impairments and reversals charged to the Revaluation Reserve	
Loss or damage resulting from normal operations	0
Loss as a result of catastrophe	0
Other	0
TOTAL impairments for Financial Assets charged to reserves	<u>0</u>
Total Impairments of Financial Assets	<u>0</u>
Non-current assets held for sale - impairments and reversals charged to SoCI.	
Loss or damage resulting from normal operations	0
Abandonment of assets in the course of construction	0
Total charged to Departmental Expenditure Limit	<u>0</u>
Unforeseen obsolescence	0
Loss as a result of catastrophe	0
Other	0
Changes in market price	0
Total charged to Annually Managed Expenditure	<u>0</u>
Total impairments of non-current assets held for sale	<u>0</u>
Inventories - impairments and reversals charged to SoCI.	
Loss or damage resulting from normal operations	0
Total charged to Departmental Expenditure Limit	<u>0</u>
Unforeseen obsolescence	0
Loss as a result of catastrophe	0
Other	0
Changes in market price	0
Total charged to Annually Managed Expenditure	<u>0</u>
Total impairments of Inventories	<u>0</u>
Investment Property impairments charged to SoCI	
Loss or damage resulting from normal operations	0
Total charged to Departmental Expenditure Limit	<u>0</u>
Unforeseen obsolescence	0
Loss as a result of catastrophe	0
Other	0
Changes in market price	0
Total charged to Annually Managed Expenditure	<u>0</u>
Total Investment Property impairments charged to SoCI	<u>0</u>
Investment Property impairments and reversals charged to the revaluation reserve	
Loss or damage resulting from normal operations	0
Over Specification of Assets	0
Unforeseen obsolescence	0
Loss as a result of catastrophe	0
Other	0
Changes in market price	0
Total impairments for Investment Property charged to reserves	<u>0</u>
Total Impairments of Investment Property	<u>0</u>
Total Impairments charged to Revaluation Reserve	<u>3,829</u>
Total Impairments charged to SoCI - DEL	<u>1,437</u>
Total Impairments charged to SoCI - AME	<u>711</u>
Overall Total Impairments	<u>5,977</u>

* This impairment relates to the brought into use revaluation of the new Cancer Centre.

** This impairment relates to the year end valuation of the Trust's assets as described in note 1.7 of page 9.

18 Investment property

The Trust has no investment property.

19 Commitments

19.1 Capital commitments

Contracted capital commitments at 31 March not otherwise included in these financial statements:

	31 March 2013	31 March 2012
	£000s	£000s
Property, plant and equipment	19,550	2,503
Intangible assets	5	0
Total	<u>19,555</u>	<u>2,503</u>

The increase in capital commitments relates to the Trust's contract with it's P21+ Partner for the delivery of the Future Configuration of Hospital Services Capital Scheme.

19.2 Other financial commitments

The Trust has not entered into any non-cancellable contracts in the current year (2011-12:none).

20 Intra-Government and other balances

	Current	Non-current	Current	Non-current
	receivables	receivables	payables	payables
	£000s	£000s	£000s	£000s
Balances with other Central Government Bodies	4,791	0	7,370	0
Balances with Local Authorities	9	0	27	0
Balances with NHS bodies outside the Departmental Group	0	0	26	0
Balances with NHS Trusts and Foundation Trusts	656	0	692	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	5,772	1,709	18,038	0
At 31 March 2013	<u>11,228</u>	<u>1,709</u>	<u>26,153</u>	<u>0</u>
Prior period:				
Balances with other Central Government Bodies	7,062	0	4,534	0
Balances with Local Authorities	5	0	36	0
Balances with NHS Trusts and Foundation Trusts	915	0	768	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	4,845	1,443	24,508	0
At 31 March 2012	<u>12,827</u>	<u>1,443</u>	<u>29,846</u>	<u>0</u>

21 Inventories

	Drugs £000s	Consumables £000s	Energy £000s	Total £000s
Balance at 1 April 2012	2,007	3,075	267	5,349
Additions	0	557	0	557
Inventories recognised as an expense in the period	(22)	0	(9)	(31)
Write-down of inventories (including losses)	(120)	(14)	0	(134)
Balance at 31 March 2013	1,865	3,618	258	5,741

22.1 Trade and other receivables

	Current		Non-current	
	31 March 2013 £000s	31 March 2012 £000s	31 March 2013 £000s	31 March 2012 £000s
NHS receivables - revenue	2,987	5,848	0	0
NHS prepayments and accrued income	1,792	1,492	0	0
Non-NHS receivables - revenue	2,624	2,553	1,709	1,443
Non-NHS prepayments and accrued income	3,677	2,760	0	0
Provision for the impairment of receivables	(428)	(429)	0	0
VAT	256	601	0	0
Interest receivables	2	2	0	0
Total	10,910	12,827	1,709	1,443
Total current and non current	12,619	14,270		

The great majority of trade is with Primary Care Trusts, as commissioners for NHS patient care services. As Primary Care Trusts are funded by Government to buy NHS patient care services, no credit scoring of them is considered necessary.

22.2 Receivables past their due date but not impaired

	31 March 2013 £000s	31 March 2012 £000s
By up to three months	3,873	5,971
By three to six months	48	168
By more than six months	57	123
Total	3,978	6,262

22.3 Provision for impairment of receivables

	2012-13 £000s	2011-12 £000s
Balance at 1 April 2012	(429)	(426)
Amount written off during the year	427	466
Amount recovered during the year	8	66
Increase in receivables impaired	(434)	(535)
Balance at 31 March 2013	(428)	(429)

Injury cost recovery income is subject to a provision for impairment of receivables of 12.6% (previously 10.5% to August 2012) to reflect expected rates of collection.

Invoices raised to overseas visitors are provided for immediately as a high number of these invoices are not collected. Specific provisions are made against any invoices that are outstanding and deemed to be non-collectable including those that have been sent to the Trust's debt collection agency.

23 NHS LIFT investments

The Trust has no NHS LIFT investments.

24 Other financial assets

There were no other financial assets in this year or the prior year.

25 Other current assets

There were no other current assets in this year or the prior year.

26 Cash and Cash Equivalents

	31 March 2013 £000s	31 March 2012 £000s
Opening balance	1,202	233
Net change in year	998	969
Closing balance	2,200	1,202
Made up of		
Cash with Government Banking Service	2,188	1,191
Commercial banks	0	0
Cash in hand	12	11
Current investments	0	0
Cash and cash equivalents as in statement of financial position	2,200	1,202
Bank overdraft - Government Banking Service	0	0
Bank overdraft - Commercial banks	0	0
Cash and cash equivalents as in statement of cash flows	2,200	1,202
Patients' money held by the Trust, not included above	1	1

27 Non-current assets held for sale

There were no non-current assets held for sale in this year or the prior year.

28 Trade and other payables

	Current		Non-current	
	31 March 2013 £000s	31 March 2012 £000s	31 March 2013 £000s	31 March 2012 £000s
NHS payables - revenue	571	479	0	0
NHS accruals and deferred income	1,041	608	0	0
Non-NHS payables - revenue	8,563	6,885	0	0
Non-NHS payables - capital	3,696	5,073	0	0
Non-NHS accruals and deferred income*	8,214	12,610	0	0
Social security costs	1,871	1,871		
Tax	2,171	2,279		
Payments received on account	26	41	0	0
Total	26,153	29,846	0	0
Total payables (current and non-current)	26,153	29,846		

* Non-NHS accruals and deferred income at 31 March 2012 included £2.99m of deferred income relating to donated income in respect of a donated asset that was under construction at 31 March 2012.

Included above:

outstanding Pension Contributions at the year end	2,378	0
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There were no pension contributions outstanding at 31 March 2012 as these were paid on 28 March 2012.

29 Other liabilities

There were no other liabilities in this year or the prior year.

30 Borrowings

There were no borrowings in this year or the prior year.

31 Other financial liabilities

There were no other financial liabilities in this year or the prior year.

32 Deferred income

	Current		Non-current	
	31 March 2013 £000s	31 March 2012 £000s	31 March 2013 £000s	31 March 2012 £000s
Opening balance at 1 April 2012	4,575	3,589	0	0
Deferred income addition*	754	4,575	0	0
Transfer of deferred income	(4,575)	(3,589)	0	0
Current deferred Income at 31 March 2013	754	4,575	0	0
Total deferred income (current and non-current)	754	4,575		

* Deferred income addition at 31 March 2012 includes £2.99m of deferred income relating to donated income in respect of a donated asset that was under construction at 31 March 2012.

33 Finance lease obligations as lessee

The Trust did not have any finance leases in this year or the prior year.

34 Finance lease receivables as lessor

The Trust did not have any leasing arrangements where it acted as a lessor in this year or the prior year.

35 Provisions

	Total	Pensions Relating to Other Staff	Legal Claims	Restructuring	Other
	£000s	£000s	£000s	£000s	£000s
Balance at 1 April 2012	946	176	153	187	430
Arising During the Year	447	4	198	48	197
Utilised During the Year	(331)	(41)	(94)	(21)	(175)
Reversed Unused	(132)	0	(24)	(104)	(4)
Unwinding of Discount	30	13	0	0	17
Balance at 31 March 2013	960	152	233	110	465

Expected Timing of Cash Flows:

No Later than One Year	631	41	233	110	247
Later than One Year and not later than Five Years	294	102	0	0	192
Later than Five Years	35	9	0	0	26

Amount Included in the Provisions of the NHS Litigation Authority in Respect of Clinical Negligence Liabilities

As at 31 March 2013	52,636
As at 31 March 2012	42,665

Pensions relating to other staff is a provision for future payments payable to the NHS Pensions Agency in respect of former employees who took early retirement.

Legal claims relate to non clinical cases with employees and members of the general public.

Restructurings provision relates to changes within the Trust's senior management team. The relevant individual has been consulted and the provision represents the expected direct expenditure arising from this change.

Other provision relates to Injury Benefits relating to former staff and contains provisions payable to former employees forced to retire due to injury suffered in the workplace (£276,000) and the CRC scheme (£189,000).

36 Contingencies

	31 March 2013 £000s	31 March 2012 £000s
Contingent liabilities		
Contingent Liabilities - NHSLA	(133)	(81)
Net Value of Contingent Liabilities	(133)	(81)

The contingent liabilities represent the difference between the expected values of provisions for legal claims carried at note 35 and the maximum potential liability that could arise from these claims.

37 PFI and LIFT - additional

The Trust has no PFI or LIFT commitments.

38 Impact of IFRS treatment - current year

The Trust has no transactions that require disclosure within this note.

39 Financial Instruments

39.1 Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the Trust has with primary care trusts and the way those primary care trusts are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

The Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Trust's standing financial instructions and policies agreed by the board of directors. Trust treasury activity is subject to review by the Trust's internal auditors.

Currency risk

The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The Trust has no overseas operations. The Trust therefore has low exposure to currency rate

Interest rate risk

The Trust borrows from government for capital expenditure, subject to affordability as confirmed by the strategic health authority. The borrowings are for 1 – 25 years, in line with the life of the associated assets, and interest is charged at the National Loans Fund rate, fixed for the life of the loan. The Trust therefore has low exposure to interest rate fluctuations.

Credit risk

Because the majority of the Trust's income comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 31 March 2013 are in receivables from customers, as disclosed in the trade and other receivables note.

Liquidity risk

The Trust's operating costs are incurred under contracts with primary care trusts, which are financed from resources voted annually by Parliament. The Trust funds its capital expenditure from funds obtained within its prudential borrowing limit. The Trust is not, therefore, exposed to significant liquidity risks.

39.2 Financial Assets

	At 'fair value through profit and loss' £000s	Loans and receivables £000s	Total £000s
Embedded derivatives	0		0
Receivables - NHS		0	0
Receivables - non-NHS		0	0
Cash at bank and in hand		2,200	2,200
Other financial assets	0	0	0
Total at 31 March 2013	0	2,200	2,200
Embedded derivatives	0		0
Receivables - NHS		0	0
Receivables - non-NHS		0	0
Cash at bank and in hand		1,202	1,202
Other financial assets	0	0	0
Total at 31 March 2012	0	1,202	1,202

39.3 Financial Liabilities

	At 'fair value through profit and loss' £000s	Other £000s	Total £000s
Embedded derivatives	0		0
NHS payables		233	233
Non-NHS payables		0	0
Other borrowings		0	0
PFI & finance lease obligations		0	0
Other financial liabilities	0	0	0
Total at 31 March 2013	0	233	233
Embedded derivatives	0		0
NHS payables		153	153
Non-NHS payables		0	0
Other borrowings		0	0
PFI & finance lease obligations		0	0
Other financial liabilities	0	0	0
Total at 31 March 2012	0	153	153

The fair value of financial assets and financial liabilities are equal to the carrying amount.

40 Events after the end of the reporting period

There are no material events after the reporting period that require adjusting or disclosing within these financial statements.

41 Related party transactions

During the year none of the Department of Health Ministers, trust board members or members of the key management staff, or parties related to any of them, have undertaken any material transactions with the Shrewsbury and Telford Hospital NHS Trust.

The Department of Health is regarded as a related party. During the year the Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. These entities are:

	Payments to Related Party	Receipts from Related Party	Amounts owed to Related Party	Amounts due from Related Party
	£000	£000	£000	£000
Shropshire County PCT	190	134,865	603	1,354
Telford and Wrekin PCT	273	95,065	0	1,653
NHS Litigation Authority	6,519	0	0	0
NHS Blood and Transplant	2,216	0	26	0
West Midlands Strategic Health Authority *	20	10,694	14	9
Birmingham East and North PCT	4	15,073	4	153
South Staffordshire PCT	0	2,713	0	141
North Staffordshire PCT	0	877	0	93
Worcester PCT	0	543	0	254
Dudley PCT	0	512	0	16
Robert Jones and Agnes Hunt Orthopaedic Hospital Foundation Trust	1,088	2,579	18	102
Mid Cheshire Hospitals NHS Foundation Trust	886	0	214	0
University Hospital of North Staffordshire NHS Trust	1,096	356	140	43
Shropshire Community Health NHS Trust	235	2,586	75	288

* The West Midlands Strategic Health Authority is part of the NHS Midlands and East SHA cluster.

In addition, the Trust has had a number of material transactions with other government departments and other central and local government bodies. Most of these transactions have been with Shropshire Council and Telford and Wrekin Council for business rates.

The Trust had a number of material transactions with Welsh bodies for healthcare: Powys Local Health Board, Betsi Cadwaladr University Health Board and the Health Commission of Wales.

The Trust has also received revenue and capital payments from a number of charitable funds, certain of the trustees for which are also members of the Trust board. The audited accounts/the summary financial statements of the Funds Held on Trust will be published separately.

42 Losses and special payments

The total number of losses cases in 2012-13 and their total value was as follows:

	Total Value of Cases £s	Total Number of Cases
Losses	559,348	691
Special payments	98,152	57
Total losses and special payments	657,500	748

The total number of losses cases in 2011-12 and their total value was as follows:

	Total Value of Cases £s	Total Number of Cases
Losses	529,754	364
Special payments	173,584	62
Total losses and special payments	703,338	426

There are no cases individually over £250,000.

43. Financial performance targets

The figures given for periods prior to 2009-10 are on a UK GAAP basis as that is the basis on which the targets were set for those years.

43.1 Breakeven performance

	2005-06 £000s	2006-07 £000s	2007-08 £000s	2008-09 £000s	2009-10 £000s	2010-11 £000s	2011-12 £000s	2012-13 £000s
Turnover	189,152	205,748	227,241	247,233	262,882	277,980	299,850	309,362
Retained surplus/(deficit) for the year	(12,142)	(2,840)	4,102	4,127	(11,652)	(325)	(1,167)	3,216
Adjustment for:								
Timing/non-cash impacting distortions:								
Use of pre - 1.4.97 surpluses [FDL(97)24 Agreements]	0	0	0	0	0	0	0	0
2006/07 PPA (relating to 1997/98 to 2005/06)	0							
2007/08 PPA (relating to 1997/98 to 2006/07)	0	0						
2008/09 PPA (relating to 1997/98 to 2007/08)	0	0	(5,635)					
Adjustments for Impairments				30	12,364	351	1,053	2,148
Adjustments for impact of policy change re donated/government grants assets							173	(5,283)
Consolidated Budgetary Guidance - Adjustment for Dual Accounting under IFRIC12*					0	0	0	0
Other agreed adjustments	0	0	0	0	0	0	0	0
Break-even in-year position	(12,142)	(2,840)	(1,533)	4,157	712	26	59	81
Break-even cumulative position	(22,675)	(25,515)	(27,048)	(22,891)	(22,179)	(22,153)	(22,094)	(22,013)

*Due to the introduction of International Financial Reporting Standards (IFRS) accounting in 2009-10, NHS Trust's financial performance measurement needs to be aligned with the guidance issued by HM Treasury measuring Departmental expenditure. Therefore, the incremental revenue expenditure resulting from the application of IFRS to IFRIC 12 schemes (which would include PFI schemes), which has no cash impact and is not chargeable for overall budgeting purposes, is excluded when measuring Breakeven performance. Other adjustments are made in respect of accounting policy changes (impairments and the removal of the donated asset and government grant reserves) to maintain comparability year to year.

In line with the Trust's Long Term Financial Model the Trust is planning to deliver surpluses over the 5 year period that will reduce the overall cumulative deficit.

	2005-06 %	2006-07 %	2007-08 %	2008-09 %	2009-10 %	2010-11 %	2011-12 %	2012-13 %
Materiality test (i.e. is it equal to or less than 0.5%):								
Break-even in-year position as a percentage of turnover	-6.42	-1.38	-0.67	1.68	0.27	0.01	0.02	0.03
Break-even cumulative position as a percentage of turnover	-11.99	-12.40	-11.90	-9.26	-8.44	-7.97	-7.37	-7.12

The amounts in the above tables in respect of financial years 2005/06 to 2008/09 inclusive have not been restated to IFRS and remain on a UK GAAP basis.

43.2 Capital cost absorption rate

The dividend payable on public dividend capital is based on the actual (rather than forecast) average relevant net assets and therefore the actual capital cost absorption rate is automatically 3.5%.

43.3 External financing

The Trust is given an external financing limit which it is permitted to undershoot.

	2012-13 £000s	2011-12 £000s
External financing limit	15,299	1,029
Cash flow financing	13,060	4,869
Other capital receipts	<u>(6,109)</u>	<u>(3,842)</u>
External financing requirement	<u>6,951</u>	<u>1,027</u>
Undershoot	<u>8,348</u>	<u>2</u>

The undershoot in EFL is a result of a revised funding requirement for the delivery of Future Configuration of Hospital Services Capital Scheme.

43.4 Capital resource limit

The Trust is given a capital resource limit which it is not permitted to exceed.

	2012-13 £000s	2011-12 £000s
Gross capital expenditure	19,238	13,354
Less: book value of assets disposed of	0	0
Less: capital grants	0	0
Less: donations towards the acquisition of non-current assets	<u>(2,839)</u>	<u>(4,152)</u>
Charge against the capital resource limit	16,399	9,202
Capital resource limit	<u>24,749</u>	<u>10,200</u>
Underspend against the capital resource limit	<u>8,350</u>	<u>998</u>

The underspend against CRL is a result of a revised funding requirement for the delivery of Future Configuration of Hospital Services Capital Scheme.

44 Third party assets

The Trust held cash and cash equivalents which relate to monies held by the NHS Trust on behalf of patients or other parties. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	31 March 2013 £000s	31 March 2012 £000s
Third party assets held by the Trust	<u>1</u>	<u>1</u>



INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF THE SHREWSBURY AND TELFORD HOSPITAL NHS TRUST

We have audited the financial statements of The Shrewsbury and Telford Hospital NHS Trust (the Trust') for the year ended 31 March 2013 on pages 1 to 42. These financial statements have been prepared under applicable law and the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to the National Health Service in England. We have also audited the information in the Remuneration Report that is subject to audit.

This report is made solely to the Board of Directors of The Shrewsbury and Telford Hospital NHS Trust, as a body, in accordance with Part II of the Audit Commission Act 1998. Our audit work has been undertaken so that we might state to the Board of the Trust, as a body, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of the Trust, as a body, for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of Directors and auditor

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of The Shrewsbury and Telford Hospital NHS Trust as at 31 March 2013 and of its expenditure and income for the year then ended; and
- have been prepared properly in accordance with the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to the National Health Service in England.

Opinion on other matters prescribed by the Code of Audit Practice 2010 for local NHS bodies

In our opinion:

- the part of the Remuneration Report subject to audit has been properly prepared in accordance with the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to the National Health Service in England; and
- the information given in the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Code of Audit Practice 2010 for local NHS bodies requires us to report to you if:

- in our opinion, the Governance Statement does not reflect compliance with the Department of Health's requirements;
- any referrals to the Secretary of State have been made under section 19 of the Audit Commission Act 1998; or
- any matters have been reported in the public interest under the Audit Commission Act 1998 in the course of, or at the end of the audit.

Conclusion on the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources

Trust's responsibilities

The Trust is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities

We are required under Section 5 of the Audit Commission Act 1998 to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice 2010 for local NHS bodies issued by the Audit Commission requires us to report to you our conclusion relating to proper arrangements, having regard to relevant criteria specified by the Audit Commission.

We report if significant matters have come to our attention which prevent us from concluding that the Trust has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our audit in accordance with the Code of Audit Practice, having regard to the guidance on the specified criteria, published by the Audit Commission in November 2012, as to whether the Trust has proper arrangements for:

- securing financial resilience; and
- challenging how it secures economy, efficiency and effectiveness.

The Audit Commission has determined these two criteria as those necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Trust put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2013.

We planned and performed our work in accordance with the Code of Audit Practice 2010 for local NHS bodies. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all material respects, the Trust had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Basis for qualified conclusion

In considering the Trust's arrangements for challenging how it secures economy, efficiency and effectiveness, we identified that whilst the Trust has delivered a small surplus of £0.081m in 2012/13, after the receipt of £4.96m of non-recurrent financial support, it has failed to deliver a number of operational targets throughout 2012/13, particularly the Accident and Emergency Wait target and the Referral to Treatment target.

Conclusion

On the basis of our work, having regard to the guidance on the specified criteria published by the Audit Commission in November 2012, with the exception of the matter reported in the basis for qualified conclusion paragraph above, we are satisfied that, in all significant respects, The Shrewsbury and Telford Hospital NHS Trust put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2013.

Certificate

We cannot issue an audit certificate until we have completed the work necessary to provide assurance over the Trust's annual quality accounts. Completion of our limited assurance work on the annual quality accounts is not expected to give rise to any issues which will have an impact on the statutory financial statements or on our use of resources conclusion.



Andrew Bostock for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
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7 June 2013

The Shrewsbury and Telford Hospital NHS Trust

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