

Walsall Healthcare NHS Trust Annual Report and Accounts 2018/19



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Caring for Walsall together



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Welcome to Walsall Healthcare NHS Trust's Annual Report and Accounts

As we look back over the last 12 months in the life of Walsall Healthcare NHS Trust it is the organisation's significant improvements and a shared sense of optimism that dominate our reflection.

The year has not been without its difficulties, of course; the NHS is continually trying to juggle demand for its services, recruitment and retention challenges and a finite funding pot whilst encouraging innovation and focusing on sustainability.

Here in Walsall, the trust has been inspected by the Care Quality Commission for the third time in as many years and, at the time of writing, we're hopeful that our combined efforts across the hospital and our community services will result in the organisation being able to exit Special Measures following its February and March inspections. Informal feedback was positive and any concerns raised have not been of sufficient seriousness to warrant immediate action.

Being – and remaining – inspection ready inevitably impacts upon our staff. Senior leaders' expectations have been high, either through the intensive improvement asked for on the fundamentals of care, the new standards that have been set in the field of clinical administration or the emphasis on effective communication and dissemination of information. When set against system failures, infrastructure challenges or lack of resources the professionalism and determination of our staff has never been more apparent and we appreciate their outstanding efforts.

We have been buoyed by the rating of Requires Improvement being given to our Maternity Services last summer, replacing Inadequate and this is examined in more detail on page xx of this Annual Report.

In addition, the CQC inspection has included;

- 'Use of Resources' inspection
- 'Well-Led' inspection

Since the last CQC inspection we can report a host of leadership achievements which include:

- A fully established, substantively appointed Board for the first time in years
- Delivery of more consistency in the fundamentals of care
- Launch of trust values
- Delivery of the Walsall Together care model and business case
- Improved staff engagement scores in the national staff opinion survey
- HSJ patient safety award winners nationally
- Top quartile performance nationally on reporting incidents openly
- Properly establishing three Freedom To Speak Up guardians

Looking ahead to the next 12 months, we have agreed four priorities for 2018/19:

- Continue our journey on patient safety and clinical quality through a comprehensive improvement programme
- Develop the culture of the organisation to ensure mature decision making and clinical leadership
- Improve our financial health through our robust improvement programme
- Develop the clinical service strategy focused on service integration in Walsall and in collaboration with other trusts

Of all these priorities it is our organisation's financial improvement that we know will pose a particular challenge. We have been frustrated that we haven't achieved the results we hoped for over the last year despite some encouraging progress being made and we need to deliver a month 12 income and expenditure position which will give both Board and NHSI, confidence.

The trust's next year promises to be equally as rewarding and challenging with the Walsall Together initiative at the forefront of our aim to improve the health and wellbeing outcomes of our residents, increase the quality of care provided and provide long term financial sustainability in the system.

Handwritten signatures of two individuals, one on the left and one on the right, in black ink.

SECTION 1: PERFORMANCE REPORT

Overview

This overview is a short summary of information to help readers understand the organisation, its purpose, the key risks to the achievement of its objectives and how it has performed during the year.

Chief Executive's Statement on Performance

The Trust reviews and monitors performance against key performance indicators (KPIs) via a number of forums as part of its governance processes. Dependent on the nature of the KPIs, performance is monitored, daily, weekly and monthly using a number of reporting tools and online dashboards. The KPIs are made up of national, local and internally agreed standards.

The Trust holds a monthly performance meeting chaired by the Deputy CEO and attended by executive directors to hold Divisions to account for their overall performance including finance, performance, quality, HR and activity. This balanced view of performance facilitates an in depth scrutiny of economy, efficiency and effectiveness at a more granular level.

Performance is also benchmarked against peer providers to show how the Trust compares to similar sized organisations and also against organisations within the local health economy. Monthly reported performance is signed off by both operational and executive leads. It is then reported to the appropriate sub-committees of the Trust Board and to the Trust Board for scrutiny.

Our four hour waits in the Emergency Department - for patients to be admitted, transferred or discharged within four hours of arrival - are still proving a challenge, as they are for many other trusts across the country. While Walsall's overall performance has improved over the last 12 months, winter was once again a difficult period and overall there was a 4% increase in attendances. Our new Emergency Department will feature specialist areas for resus, paediatrics and mental health bringing significant improvements for our patients. Emergency re-admissions are also an area in which we want to make greater improvements and the Walsall Together approach will be an important factor in this.

It is encouraging to see the trust achieved its best Referral to Treatment Times (18 weeks) in more than two years and six out of seven cancer targets were achieved. We have seen an increase in cancer referrals, potentially as a result of the many national and local public awareness campaigns that are regularly run.

We still have work to do to reduce our Did Not Attend (DNA) rates and to improve efficiency and productivity. Work is ongoing to reduce Length of Stay and to better manage our Medically Fit For Discharge patients to ensure they are able to return home as soon as possible and that any support needed is in place.

The trust is now three years into its five year ambition to deliver its vision of "Caring for Walsall together".

This vision is underpinned by five objectives.

1. **Provide Safe, High Quality Care.** *We will provide care that we would want for our family and friends.*
2. **Care for Patients at Home.** *We will keep people well at home, provide alternatives to acute care and return people home safely and quickly after admission.*
3. **Work Closely with Partners.** *We cannot do this alone and will work with our partners in Walsall and the Black Country.*
4. **Value Colleagues.** *We will be a clinically-led, engaged and empowered organisation.*
5. **Use Resources Well.** *We will ensure future sustainability by living within our means.*

While the organisation is still committed to these objectives, they are being refreshed to reflect changes in national policy and local strategic context.

The trust wants to achieve an excellence in care delivery and resource utilisation, as defined by an outstanding rating for its services by April 2022. To achieve this, the objectives need to be delivered through a more systematic and integrated programme of work, as opposed to the traditional NHS approach of operational, financial and workforce planning on an annual basis.

A large scale, integrated improvement programme, encompassing strategic change, population health management, digital transformation, service and productivity improvement, workforce redesign, organisational development, quality improvement and patient/carer involvement is being proposed to drive the organisation's actions over the next three years.

Walsall Healthcare NHS Trust is committed to reducing the level of fraud, bribery and corruption within both the Trust and the wider NHS to an absolute minimum and keeping it at that level, freeing up public resources for better patient care. The Trust does not tolerate fraud, bribery and corruption and aims to eliminate all such activity as far as possible. This is outlined for staff in the Anti-Fraud, Bribery & Corruption Policy.

The Trust is a significant employer in Walsall and aims to go beyond the requirements of its contracts and contribute to the wider wellbeing of the communities it serves.

The Trust has an important role to play in protecting human rights through its administration of the Mental Health Act (1983) (MHA) and oversight of the Mental Capacity Act (2005). The Trust issues and maintains a comprehensive set of policies which describe how it protects patients' human rights including Safeguarding and the Deprivation of Liberties Act.

Walsall Healthcare is a publicly-funded organisation and does not engage in service provision in order to make a profit. Whilst some services operate on a commercial basis they only generate a modest income and these services are not considered commercial as they do not generate income in excess of £36 million per annum. A statement on the steps the Trust has taken to ensure that slavery and human trafficking is not taking place in the Trust's supply chain or any part of the Trust's business is therefore not required.

The NHS is a major consumer of the earth's scarce resources. The Trust is keen to play its part in ensuring it actively supports the government's sustainability agenda to make effective use of hospitals and services, particularly having strategies in place to improve environmental performance and consumption.

The Trust is committed to having in place active carbon management arrangements across a range of service areas which will contribute to reducing its overall carbon footprint.

It is recognised a commitment to reduce carbon emissions, manage energy consumption and make effective use of resources for service delivery is of crucial importance.

The NHS Sustainable Development Unit developed the NHS Carbon Reduction Strategy for England with a target to deliver a 34% carbon dioxide (CO₂) reduction by 2020.

The Trust has a continuing commitment to carbon reduction and providing sustainable environments and its Energy Efficiency Committee meets regularly to discuss ideas that improve both operational efficiency and user experience.



Richard Beeken, Chief Executive.

Purpose and Activities of Walsall Healthcare NHS Trust

Walsall Healthcare NHS Trust is an integrated trust. The Manor Hospital provides a full range of district general hospital services and community health services for adults and children which are run from more than 60 settings across the borough, including health centres and GP surgeries, while community services also provide support in people's own homes.

We have integrated health and social care with the development of seven Integrated Locality Teams. The teams are co-located Community, Social Care staff and Mental Health staff who provide a 'wrap-around' service to GP practices.

The area the trust serves

Walsall has an overall estimated population of 281,293 (ONS, mid-2017). It is predicted to increase by 5.9% over 10 years. Like many areas, the predicted growth of Walsall's older population of over 65s is higher than this at 12.4%. There has already been an 8.8% increase in births in Walsall.

Overall, life expectancy is gradually increasing for both men and women and the gap with comparative areas has shown positive signs of narrowing. The focus continues to be on prolonging a healthy life expectancy and understanding and planning for the implications that will have on service need and provision.

Walsall is a culturally diverse town where people of Indian, Pakistani and Bangladeshi background form the largest minority ethnic groups. The number of non-UK born residents in Walsall increased by 3.7% (or 9,900 people) between the 2001 and 2011 censuses and Walsall now has a small Eastern European population which makes up about 1% of the area's residents.

In terms of children and young people aged 0-17, the proportion of pupils from minority ethnic groups has increased to 37.4% of all pupils living in the area from 36.7% in 2016 and 24% Primary pupils have English as an additional language. (School Census, January 2017).

The 2015 Index of Multiple Deprivation now ranks Walsall as the 33rd most deprived English local authority (out of 326), nudging Walsall just outside the most deprived 10% of districts in the country (30th in 2010 and 45th in 2007).

Walsall fares particularly badly in terms of income (18th), employment (30th) and education, skills & training deprivation (12th), and many of the issues that challenge the borough match the geography of deprivation.

The high and increasing levels of child poverty put additional demands on services. Walsall ranks 18th of 152 upper tier local authorities for income deprivation affecting children index (IDACI 2015) with the borough's relative deprivation increasing over time.

One in three (29.9%) aged under 16 years are living in low income families, higher than the national average of 20.1% (HMRC, 2016).

A year in the life of Walsall Healthcare NHS Trust

Care Quality Commission inspection

For the third time in as many years the CQC team returned to carry out an inspection at the trust – in February and March and visited all of our medical inpatient areas and critical care services. Inspectors also attended both our public and private Board sessions.

Overall, the informal feedback the trust has had has been positive. Inspectors said they were professionally welcomed by staff in all areas who were keen to show them improvements made and referenced in particular changes made since the 2017 inspection.



In Medicine, the team was impressed by the emerging patient safety culture, patient safety huddles, morbidity and mortality reviews and the cleanliness of ward areas, aided by the excellent housekeeping staff. In Critical Care, they saw a visible leadership team which was praised for the successful transition into the new Intensive Care Unit. They witnessed a strong patient safety culture and excellent patient/carer feedback.

As with any organisation striving to make a positive shift from a rating of “requires improvement”, there were things highlighted as a concern as well. In particular, nursing colleagues remain concerned about the establishment levels on the wards. The CQC asked for further evidence regarding our establishment review process, recently completed. They also raised concerns about the slow development and roll out of our critical care outreach team and delayed step downs from critical care to the wards.

It is a credit to the hard work and professionalism of staff that the trust clearly made a strong impression on the CQC this time and its report was expected in early summer.

CQC re-inspection of Maternity Services



“Motivated and engaged” staff were credited with driving significant progress in our Maternity Services which received an improved rating following an unannounced inspection by the CQC.

The CQC gave the service an overall rating of Requires Improvement with a rating of Good for the caring domain after re-inspecting it in June last year. Maternity Services were rated as “Inadequate” when the CQC inspected the trust in June 2017.

The trust’s Transitional Care Unit, which provides extra care for newborn babies who don’t need the level of care of a neonatal unit, was hailed as an example of “outstanding practice.”

The CQC highlighted the unit as “an innovative and dedicated approach to postnatal care. The CQC also highlighted areas of poor practice which included information not being accessible for all, greater compliance of mandatory training and some remaining cultural issues.

In its report the CQC described staff as being “proud of the service” and referred to a “much more positive” culture. Concerns raised in the Warning Notice issued to Walsall Healthcare NHS Trust in 2017, which included insufficient staffing levels and the monitoring of Cardiotocography (fetal heartbeat), have been addressed and improvements made.

The report stated: “Staff were motivated and engaged with driving improvement for the service.

“Senior staff were now actively accepting and addressing the problems identified. There had been a significant shift in the attitude of consultants who were reacting well to the changes required.

“Consultants told us the senior leadership team understood the pressures of the department and described them as very supportive. Leaders monitored improvements via a robust maternity improvement plan which everyone understood. “Without exception we observed all staff interactions with patients were caring and supportive. Maternity staff confirmed that the department was a calmer, more supportive environment.”

The changing face of our hospital estate

Scanner provision doubled

Patients are now using latest generation MRI scanners at Walsall Manor Hospital following completion of a major healthcare investment in September 2018.

Work to house two new scanners started in January last year in partnership with the InHealth Group which provides the service.

The equipment is used to diagnose and identify a range of conditions from back and knee injuries to brain problems cancer, multiple sclerosis and arthritis. The trust's previous scanner was more than 16 years old.

The trust has entered into a 15 year contract with the InHealth Group which has seen the replacement of the old scanner and installation of a second.



The Siemens Aera scanners provide exceptional image quality and are more suitable for patients who suffer from claustrophobia than standard scanners. They are also suitable for bariatric patients – a service that has previously been unavailable in Walsall.

The investment will also enable the trust to make better use of its financial resources. The latest generation scanners only require 24 hours maintenance per year as opposed to the usual 36 hours to reduce downtime. Radiologists are able to view and interact with the images whilst the patient is in the scanner.

Completion of new Intensive Care Unit



Patients moved into the Manor Hospital's new state-of-the art Intensive Care Unit in December 2018 with staff from across the trust all playing their part in ensuring things ran as smoothly as possible.

The ICU, constructed by Skanska, has brought together Walsall Healthcare NHS Trust's Intensive Therapy Unit (ITU) and the High Dependency Unit (HDU) creating an 18-bedded unit.

The new ICU allows the trust to treat patients in individual rooms, preventing cross infection and ensuring their dignity and privacy. The standardisation of equipment at every bed space means any bed can be used for either an HDU or ITU patient, preventing them having to be moved. Each bed has a ceiling-mounted pendant that supplies a comprehensive range of essential services including essential gases, power for equipment and IT links.



A relatives' room has also been created to better support families and friends of patients. The room has been named the 'Francoise Suite' in memory of patient Francoise Ankrett and has been created using a kind donation from her family.

Neonatal Unit expansion progressing well

Work to create a new obstetric theatre and expand the Neonatal Unit from 15 to 20 cots is progressing well and is on track for completion in the autumn.

The £5.6m project will see a purpose-built Intensive Therapy Unit and High Dependency Unit within Neonatal.

The trust will be able to increase its provision to 20 cots – taking its HDU cots from two to four and special care cots from 11 to 14.

Parts of the Neonatal expansion have had to be “live” running alongside the day to day care and support offered through the existing unit.



New Emergency Department funding

The Government announced £36m of funding for a new Emergency Department at Walsall Manor Hospital as part of a £963 million package of improvements revealed by Health and Social Care Secretary Matt Hancock.

When the department was built it was to cater for around 40,000 patients a year but the trust sees around 80,000.

It needs specialist areas for resus, paediatrics and mental health and last December's announcement means that significant improvements can be made giving our patients a better experience.



The trust has been completing a procurement process with a view to appointing a contractor by spring 2019 which, with NHSI and Government approval, should pave the way for work to start in late summer 2019. The construction is likely to take around 18 months.

Investment

In March the Trust Board agreed to move to the procurement phase for implementing a new Electronic Patient Record (EPR). More than 1,200 staff, when surveyed, made it clear that they were professionally frustrated with the limitations of the current Patient Administration System (PAS).

The solution the Board has agreed to pursue will bring patient safety benefits, bed management/flow benefits and productivity benefits. It will be strategically aligned given its ability to integrate with GP and social care systems, all essential in the Walsall Together journey of bringing health and care integration in the borough.

The new system will help mobilise clinicians and users, where technology talks to each other without the need for endless reams of paper and time. End results will see the trust go live with E-paging and E-Messaging this year, a new PAS system by end of the year and the EPR component by 2020. The system will then allow Electronic Bed Management, a new ED system and Theatre system, paperless clinics and self check-in.

Walsall Together

Walsall's health and care system partners which include Walsall Healthcare NHS Trust, Walsall Clinical Commissioning Group, Walsall Council, Dudley and Walsall Mental Health Partnership Trust and One Walsall have developed a business case which outlines the way in which the 'Walsall Together' partners will change the ways and health and care is delivered in the community.

The overall aim is to improve the health and wellbeing outcomes of the population, increase the quality of care provided and provide long term financial sustainability in the system. As an organisation the trust has played an integral part in developing this.

There will be a Walsall Together Board with new senior roles to provide strategic oversight of the transformation and these are hoped to be in place by May 2019.

Our new trust values

Walsall Healthcare had a list of "Promises" that were originally developed to signal the trust's commitment to doing the right thing by patients and its workforce. These Promises fed into the organisation's strategic objectives and overall Vision.

While well intentioned, the Promises didn't strike the right chord with staff – this is what they've told us through the many focus groups led by Staff Engagement Lead Simon Johnson. Few colleagues could recall the Promises as some were quite lengthy and, although their importance was recognised, many didn't believe they were truly embedded.

Our Trust Board and Executive Team agreed that the Promises needed to be refreshed and turned into Values chosen by the people who work here. Evidence shows that the most engaged workforces choose their own values which become embedded by staff being recruited against them and appraised through them so that they are lived and breathed by everyone.

Staff were asked to come up with four single words that they felt represented their true values and what it should mean to work for our trust.

When the final list of suggestions was drawn up staff were then invited to vote on their favourites.

We now have our four new Values which are:



Our Values should ultimately influence and shape the culture of the organisation. They have informed a behavioural framework which determines how all staff, across all levels, should behave in line with these refreshed Values.

The Values also give the organisation the opportunity to regularly acknowledge and celebrate the efforts its teams in the hospital and community services make towards embedding these.

Behavioural Framework

Our Behavioural Framework has been created using feedback from staff focus groups and is supported by our Trust Board.

Staff told us that they felt unacceptable or unhelpful behaviours are currently not discussed explicitly which means poor behaviour remains unchallenged. Good behaviour can therefore go unrewarded or unrecognised.

A draft framework was shared at the Leadership event in the summer and senior managers had an opportunity to contribute towards this – their feedback led to an updated document.

Our Engagers – established through Staff Engagement Lead Simon Johnson to help further cascade key messages - carried out additional consultation with staff and our Passion for Engagement Group also liaised with Staffside. The Behavioural Framework is now being included in Trust Induction.

By introducing a Behavioural Framework, aligned to our four values, we are sending a clear message to staff across all levels of the trust about what we expect to see and, equally as important, what our patients and their families can expect to see too. And it provides us with an important appraisal, learning and development tool.

Here are some examples of acceptable and unacceptable behaviours as detailed within the framework.

Compassion

What we expect to see:

- Introducing yourself with a friendly smile, saying your name and who you are
- Recognising the contributions of others, saying thank you and meaning it
- Taking time to actively listen to the needs of others

What we do not expect to see:

- Having a 'face fits' culture
- Favours friends/allies over others who are just as deserving
- Ignoring others when you can see they need help or ask for it

Teamwork

What we expect to see:

- Working collaboratively with colleagues, partners and any users of Trust services
- Supporting colleagues when they might have made a mistake
- Acknowledging everyone counts

What we do not expect to see

- Only thinking of 'team' as the immediate people you work with rather than the wider team
- Being unapproachable
- Only seeming to tell people what to do and assuming your way is the only way

Professionalism

What we expect to see:

- Being reflective
- Positive approach and striving to make a difference
- Openness to improvement and change

What we do not expect to see:

- Doing the bare minimum
- Taking credit for the work of others
- Using social media to place inappropriate comments about the Trust, colleagues or others

Respect

What we expect to see:

- Making equality, diversity and inclusion of all a core value
- Use of appropriate language
- Honesty when things go wrong and saying sorry

What we do not expect to see:

- Disregarding or not knowing these Trust values and behaviours
- Bullying and harassing behaviour
- Discrimination or treating people unfairly

Cultivating a Culture of Continuous Improvement



Our Quality Improvement Academy (QIA) was established in February 2018 with the aim of creating a culture of continuous improvement across the trust. The QIA has evolved from the Listening into Action engagement approach, which attracted interest from colleagues with a strong enthusiasm for local change.

Improving quality is about making healthcare safe, effective, patient-centred, timely, efficient and equitable. In the history of the NHS, there has never been such a focus on improving the quality of health services.

The QIA has its own steering and governance group called the Quality Improvement Faculty, which is constantly on hand to provide any additional help and guidance to the active improvement teams, but also to think creatively about how to spread quality improvement knowledge across the organisation.

The Faculty is formed from specialists based within the organisation and is led by Executive Director of Transformation and Improvement Daren Fradgley, with colleagues from Service Improvement, Organisational Development, Engagement, Library Services, and Governance amongst some of its members. Dr Hesham Abdalla is the Trust Quality Improvement Clinical Lead and has been chairing the Faculty meetings and driving forward engagement amongst medical colleagues.

Earlier this year, five members of the Quality Improvement Faculty became associate members of the NHS Improvement's Quality, Service Improvement and Redesign (QSIR) Teaching Faculty. They are amongst 140 associates who are spreading quality and service improvement knowledge and skills within 54 organisations across the UK, and this accreditation means Walsall's QIA can now offer accredited courses at the trust

The Academy provides specialist training to individuals and teams in the use of supportive Quality Improvement tools and methodology offering expert advice. By providing support and training to staff across the trust it can improve the knowledge, skills and capabilities of colleagues and so help to drive a culture of continuous quality improvement for Walsall.

The first Walsall Healthcare Quality Improvement Conference took place in March with eminent healthcare professor Michael West who spoke on compassionate leadership and patient safety.

Engaging and empowering our staff

Walsall Healthcare's Trust Board has been using a number of channels to improve engagement with staff over the last 12 months.

Chief Executive Richard Beeken holds weekly, informal one-to-one sessions in Costa Coffee for staff to talk to him about improvements they're proud of, ideas they'd like support with or to raise concerns. This is in addition to the monthly Chief Executive's Brief sessions that held in both the hospital and community; essential and mandatory sessions for senior managers to ensure that key messages and updates are shared widely and well across teams. These sessions are also open for all colleagues with senior managers encouraged to bring along a team member.

The Director of Nursing Karen Dunderdale worked with staff, patients and volunteers to develop a Nursing Strategy which was launched before Christmas. She joined senior nursing leaders to visit ward and community staff across the trust to raise awareness of this strategy.

The trust also introduced a weekly Tuesday Topics session giving staff an opportunity to meet the Executive team, learn about the latest news and developments from around the trust and ask questions. After a few months attendance dwindled and the sessions stopped as staff said they preferred the more formal Chief Executive's Brief.

Communications colleagues live tweet each Trust Board meeting.

All members of the Executive Team write a weekly blog to go into the Daily Dose – a daily, electronic staff newsletter.

Let's hear from our Medical Director

In Walsall, we are fortunate to have almost 60 SAS doctors working across many different specialities. This includes a cohort of Medical Training Initiative (MTI) doctors who come to England for a couple of years to develop their expertise. As the [SAS Charter](#) states, this group of doctors demonstrates high levels of **professionalism**.



SAS Doctors are confident and competent healthcare professionals, delivering clinical services in partnership with medical consultants and other health workers. They make significant contributions to the advancement of medicine and the profession in areas of leadership, education, research and governance.

Yesterday, I had the pleasure of meeting with some of our SAS doctors, together with Mr Awais Shaikh (SAS tutor) and Dr Esther Waterhouse (Director of Postgraduate Medical Education).

I learnt a lot from our conversation. For some, I realised, this is a temporary stage in their career before they pursue speciality training or accreditation, while for others it is a destination in its own right. I appreciated that the range of skills and experience is extraordinarily wide and the levels of responsibility are often very high. Sadly, I also heard that their knowledge, capabilities and contributions are not always shown the **respect** that they deserve.



Significantly, I learnt that we are all 'doctors in training' who can benefit from protected time for clinical reflection, education and research. In Walsall, we have committed to offering SAS doctors one session a week for continuing professional development, a half-day each quarter for a dedicated training programme and up to 10 days each year for study leave. We are also looking at structured academic training for doctors who are outside HEE programmes.

To all the SAS doctors working in Walsall, 'thank you' for your dedication and **teamwork**. Let's work together to make the best use of your expertise and to help develop your skills.

Dr Matthew Lewis
Medical Director

And trust Chair Danielle Oum has spent time with teams across Walsall Manor Hospital and out in its community services, shadowing staff in a variety of settings to gain real insight into the frontline.

She joined staff working to safeguard children, the security team, Theatres, and the Emergency Department and visited Walsall Palliative Care Centre, talking to patients as well as colleagues, observed clinics being run in paediatric outpatients and pain management and caught up with the Learning Disability team. She also spent time in Maternity and shadowed Finance and Library staff.

She is keen to continue this and will be joining other teams to have a real sense of the challenges and opportunities that healthcare colleagues are managing every day.

In November 2018 the trust introduced a regular Manor Mop-up newsletter specifically for housekeeping and support service staff following their feedback that communication with this group of colleagues was poor. The newsletter is available electronically but is also printed out and left in cleaning cupboards and on notice boards for all to access. In addition, meetings with the Executive Team also took place.

Freedom to Speak Up Guardians

Following his review and subsequent report into failings in care in Mid Staffordshire, Sir Robert Francis recommended the appointment of Freedom To Speak Up (FTSU) Guardians and the Secretary of State endorsed this role as an important step towards developing an organisation's culture of safety, openness and transparency.

Here in Walsall, we have three FTSU Guardians – Shabina Raza, Kim Sterling and Val Ferguson – and they are working alongside trust leadership teams to support the organisation to become a more open and transparent place to work where all colleagues are actively encouraged and enabled to speak up safely.

FTSU guardians have a key role in helping to raise the profile of raising concerns in their organisation and provide confidential advice and support to staff in relation to concerns they have about patient safety and/or the way their concern has been handled. Guardians don't get involved in investigations or complaints, but help to facilitate the raising concerns process where needed, ensuring organisational policies are followed correctly.

Trust Board pledge

We want to develop a workplace where everyone feels included and able to offer high quality services. To help make this happen Walsall Healthcare NHS Trust renewed its values -chosen by you – which are Respect, Compassion, Professionalism and Teamwork.

The trust has also responded to a national call to action to tackle bullying in the NHS and continues to work to eliminate it. A strategy for Equality, Diversity and Inclusion is being developed to ensure equality, human rights and inclusion are considered when we are providing services to our patients and service users, and also for colleagues. Your trust board has committed to this work by making a pledge to all of us:

“We, your Trust Board, pledge to demonstrate through our actions that we listen to and support people. We will ensure that the organisation treats people equally, fairly and inclusively, with zero-tolerance of bullying. We uphold and role-model the trust values chosen by you.”

All colleagues need to know that should they require support there are a number of people they can speak to or services they can access:

- Line Manager/Managers
- Other colleagues
- Staffside
- Human Resources
- Workplace Support Advisers
- Freedom to Speak Up Guardians
- The Chaplaincy-Spiritual Care Team

In addition to these options, depending upon the concern, colleagues can also utilise:

- Incident reporting process
- 'Speak Up' (where a concern can be raised anonymously)

Pulse Check

Just over half of the trust responded to last year's Pulse Check survey which meant the results were in sufficient numbers to be able to get a meaningful overview. Staff were open and honest and really told us where they believe the organisation stands.

The areas that staff said offered us the greatest opportunity for improvement were:

- Day-to-day frustrations are quickly identified and resolved
- Communication between senior management and staff is effective
- Our work environment, facilities and systems enable me to do my job well

Staff also came up with a total of 1799 improvement ideas.

While Pulse Check analysis has been shared between the relevant care groups and departments within divisions the trust is working on a more tailored approach to ensure as many staff as possible – across all levels of the organisation – see the results for themselves.

There is a real opportunity to learn from Pharmacy, Trauma & Orthopaedics, Audiology and Maternity which have significantly improved their Pulse Check Results since 2017.

Audiology, School Nursing, Endocrinology and Diabetes and Palliative Medicine all emerged as the top rated areas to work.

Staff Survey

Results collated into 10 themes. Show "statistically significant" improvement in the staff engagement score between 2017 and 2018.

Benchmark report shows improvement on five of the ten themes - although not at a statistically significant level.

Stability on four of the ten themes

The last theme (morale) introduced in 2018 and not benchmarked at this point.

Results will be reviewed at Divisional and Corporate level to formulate trust-wide action plan for improvement during 2019/20.

Fuller analysis of the national trend of a differential experience for BAME staff.

Improving our patients' experience



The Quiet Protocol has been launched to make patients' evenings more restful and relaxed.

It was introduced following feedback through Patient Experience surveys which showed that patients are often having trouble falling and staying asleep due to noisy and often too bright environments. This can have a real impact on their recovery.

A noisy environment is also detrimental to staff as it can make communication difficult and amplify work pressures which means an increased chance of errors being made.

Wards now start a wind down at 9pm-10pm taking the last evening round as an opportunity to better prepare patients for a peaceful evening; checking their pain levels and positioning needs, providing oral care and making ear plugs and eye masks available if requested.

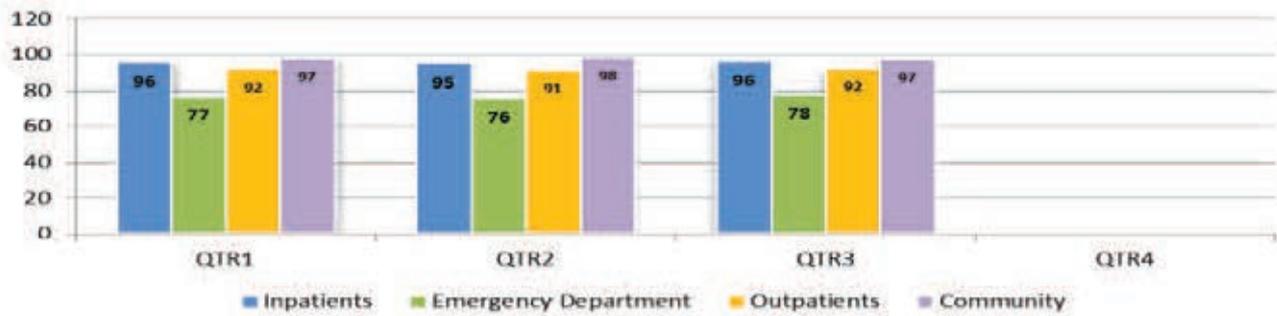
The protocol is initiated from 11pm to 6am when all staff are encouraged to reduce controllable noise.

Over the last three quarters we have continued to implement our patient experience strategy that puts the patient and carer voice at the heart of our services and ensures that the trust has a co-ordinated approach of 'listening to' and 'learning from' patient feedback.

Around 92% of patients who used our hospital and community services said they would recommend us to their friends and family if they needed similar care or treatment. This score is based on over 39,000 Friends and Family Test (FFT) surveys completed by our service users. Our national and local surveys results continued to show improvements and also highlight areas where more work is needed.

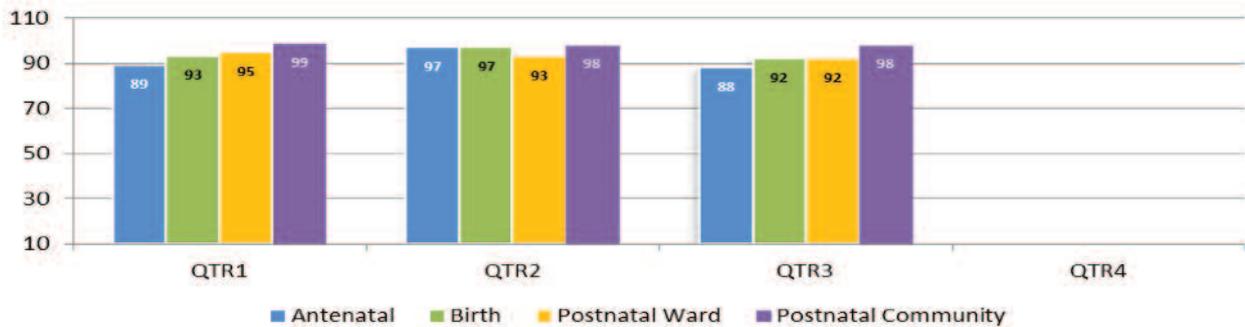
The chart below shows average FFT results for positive recommendation scores (%) for inpatients, A&E, outpatients and community services in first three quarters of 2018-2019.

Trust Friends and Family Test - 'Would recommend %' Scores (quarterly average) 2018/19



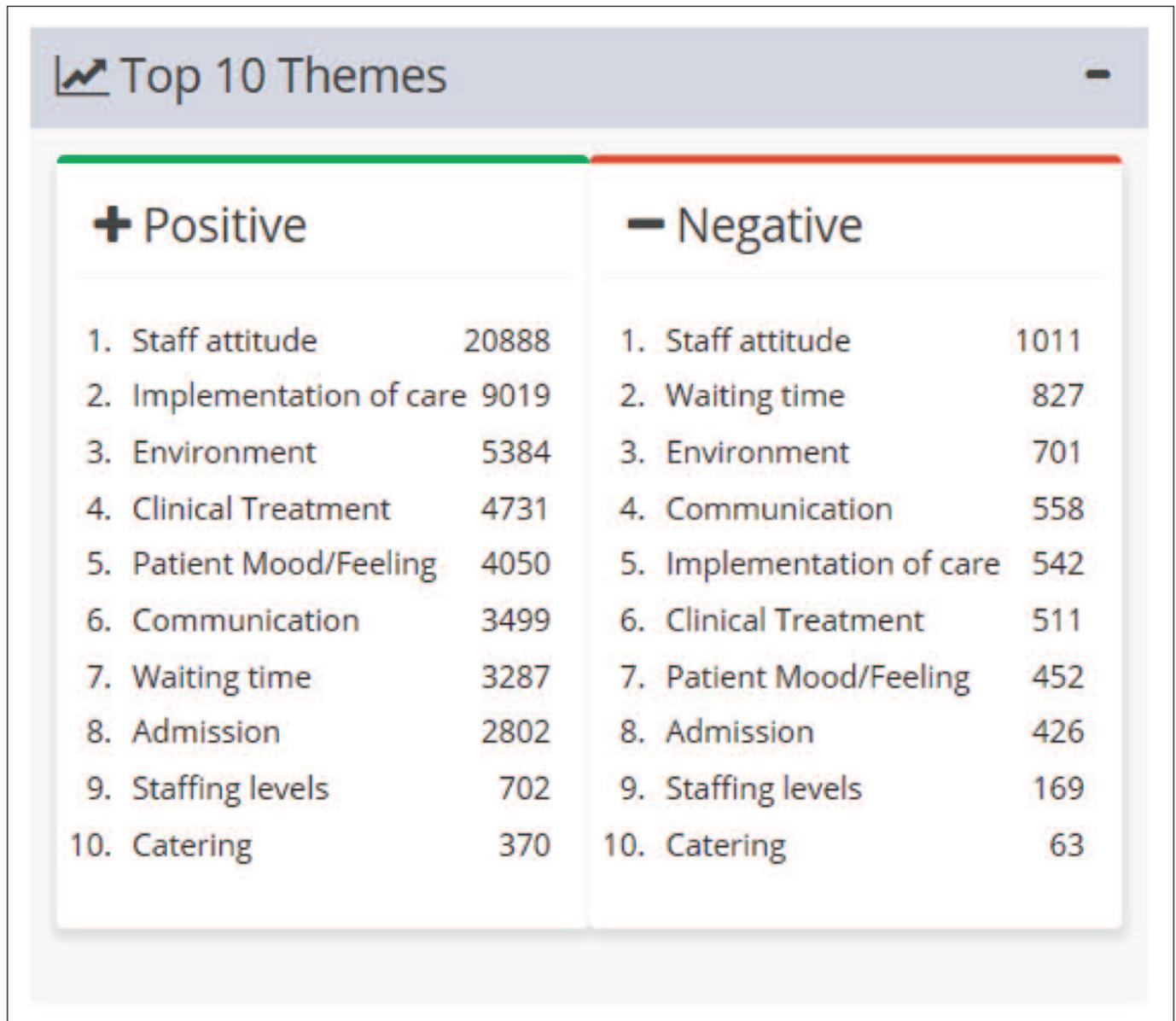
The chart below shows the same for all the Maternity Service touchpoints:

Trust Friends and Family Test - Maternity Services touchpoints 'Would recommend %' Scores (quarterly average) 2018/19



Comment themes

The themes below have been generated from over 31,000 FFT comments left by patients. The themes are ranked, and in relation to whether they were reported positively or negatively:



Key improvements include the 'Back to Basics' A&E patient experience improvement project which has been shortlisted for a national award, enhancing the Quiet Protocol with sleep packs to help patients sleep well at night, continuing with our Information Reading Panel, implementing the Always Event® improvement programme, collaborative working with our local Healthwatch to conduct ward reviews, pharmacist at discharge lounge project, Improving Patient Experience in Imaging department.

We have entered the second phase of our 'You & I' programme for staff engagement in patient experience by covering Maternity Services. The Patient Experience team is part of projects for QSIR training through the Quality Improvement Academy and is increasingly co-producing improvements with its patients and carers.

Key areas highlighted for improvements in our national surveys and FFT included communication, patient involvement in decisions about care and treatment, arrangements around discharge and waiting times.

The trust is also extremely grateful to over 300 volunteers who support staff and patients across the hospital, Palliative Care Centre, Chaplaincy and Self Care Management. We continue to increase the number of our volunteers and develop new roles based on the requirements of our different clinical and non-clinical services.

#WalsallandProud of our staff

The NHS turned 70 on 5 July 2018 and to mark the occasion, Walsall Healthcare, along with Walsall Clinic Commissioning Group and Dudley & Walsall Mental Health Partnership NHS Trust, joined forces to create a commemorative photo.



Walsall Healthcare also staged a day of celebration featuring Compton Care Choir, two of our midwives who wrote their own song and Christoph and the Nursettes, from our adult community nursing service, who put their own twist on a couple of big band numbers including Frank Sinatra's 'My Kind of...Trust.'

Walsall branch of the NHS Retirement Fellowship. Volunteers and the League of Friends all supported the big day.

As a fitting finale to NHS 70, staff took part in their own It's A Knockout family fun day that weekend at Walsall Arboretum.

Another busy charity year

Our Well Wishers charity enjoyed a bumper year – and that’s thanks to the amazing support of our colleagues, businesses and members of the public. Without them Well Wishers wouldn’t exist and we wouldn’t be able to celebrate the fantastic improvements that are having such a positive effect on our patients, their families and our own teams.

These donations are put to good use helping us to buy items or enhance services above and beyond what the NHS can provide.

Here’s just some of the highlights from the last 12 months:

Focus on our Stroke Rehabilitation Unit



An exciting partnership between Well Wishers and the Saddlers Shopping Centre was launched last year, with shoppers voting for the project they wanted to support with a year of fundraising. And the development of our Stroke Rehabilitation Unit to make it one of the best services in the country was voted the winner, with more than 300 people choosing it as their favourite cause.

Centre manager Melvin Glasby said: “We couldn’t be more excited about teaming up with Well Wishers. We’re in the heart of Walsall and it means so much to us to be able to work in partnership to make an impact on the lives of our customers who either use local healthcare services themselves or have family and friends who do.

“Community involvement is extremely important to us and we think this partnership demonstrates that commitment.”

Tai Chi to help Walsall neurological patients

Suitable Walsall patients with Parkinson's Disease and Multiple Sclerosis will be able to benefit from Tai Chi sessions to help them manage their health and wellbeing.

Two assistant practitioners from the trust's Community Neurological Rehabilitation Team based at Short Heath Clinic, Mary McKenzie and Diane Ward, have been funded through Well Wishers to go on a course specialising in the approach. They hope to be able to offer sessions to carefully selected patients in the autumn.

Beth Ashcroft, Team Lead/Physiotherapist explained: "There is growing evidence that Tai Chi can help patients with neurological conditions to improve their balance, reduce falls, maintain a range of movement and muscle strength and reduce anxiety – particularly people with Parkinson's Disease and Multiple Sclerosis.

"Now that we have the funding from the charity we can send Mary and Diane on the course so that they can offer this to those patients who are suitable as part of the work we do through our patient education sessions to support those managing long term conditions. Our patients have asked us for Tai Chi to be made available and we're really pleased to be able to offer this, where appropriate, as an additional element to our self-management strategies."

A real team effort



A £15,000 appeal to help create a new sensory room for children with disabilities and complex conditions was reached in under a year – to the delight of service users, parents, carers and staff.

Sheffield's Child Development Centre now boasts a feature to be proud of with outdated and broken equipment replaced and a brand new ball pit.

The target was reached thanks to a 100 mile sponsored cycle, fashion show, bag pack, cake sales, raffles and donations and community groups, businesses, Walsall Football Club and healthcare staff all got behind the appeal either bringing in donations or taking part in events to help swell funds.

Lolly's legacy for teens

Money raised in memory of popular former patient Lauren "Lolly" Wilkinson has created a chill out room for teenagers being treated on the children's ward at Walsall Manor Hospital.

Lolly's family managed to raise £5,000 following the 17-year-old's death from a cardiac arrest after an asthma attack in January 2017. The money came from donations at her funeral as well as from the wider Darlaston community who knew the popular Grace Academy student.

They joined the Mayor and Mayoress of Walsall to officially open the room – Lolly's Place – and gave it their blessing.

Lolly's mum Pam said: "We're really pleased with it and think it is a legacy from her."

Lolly's sister Kerry Wilkinson added: "It's nice to see the room now after the work and planning that has gone into it. Patients can just shut the door behind them and forget they're in hospital because it's a relaxing space."

Her sister Nicola Waite praised Lolly's friends who helped design the room by suggesting how it should look.

"They were the ones who said it should have a homework area and it has TVs, a gaming area, hair and make-up area, laptops and a feature wall."

Local businesses have kindly donated items and an additional £844 was put towards the cost by local fundraiser Sue Sutton who held a charity night at James Bridge Copper Social Club.



Scooter provision doubled

Patients with mobility issues will be able to hitch a ride around Walsall Manor Hospital thanks to the generosity of fundraisers.

Well Wishers has spent £6,600 on a new scooter to help transport patients to and from their appointments, treatment and tests; doubling scooter provision.

Another jam-packed few months of events has been organised for 2019.



Key issues and risks

During 2017/18, the Trust identified the following key risks to the delivery of its strategic objectives. The major risks identified and monitored through the Board Assurance Framework during the year related to:

- Failure to deliver consistent standards of care to patients' across the Trust results in poor patient outcomes and incidents of avoidable harm.
- Failure to achieve financial plans as agreed by the Board and communicated to NHSI
- If the Trust does not agree a suitable alliance approach with the Local Health Economy partners it will not be able to deliver a sustainable integrated care model.
- Failure to progress the delivery of the Walsall Integrated model for health and social care.
- The lack of leadership capability and capacity could lead to insufficient key performance improvement and the Trusts ability to be a high performing organisation.
- High levels of sickness absence within the Trust impacts upon the Trust's resourcing plan and ability to deliver safe and high quality care and also impacts upon the Trust's ability to effectively use resources and deliver the financial plan. The current policy framework for the Trust does not adequately support Staff Health and Wellbeing and does not effectively mitigate absence levels.
- Failure to improve organisational Culture impacts on staff well being, retention and the Trusts ability to attract and recruit new staff
- Failure to understand the health and wellbeing of the workforce and implement appropriate initiatives
- Failure to promote, develop and support a culture which values equality, diversity and inclusion
- Freedom to Speak Up - there is a risk that the systems and processes for raising a concern are insufficient and not robustly embedded within the Trust
- IM&T systems which do not meet the requirements of the organisation

Statement of Going Concern

These accounts have been prepared on a going concern basis. The financial statements do not contain the adjustments that would result if the company was unable to continue as a going concern.

The Trust has recorded revenue deficits in the four financial years prior to 2018/19. The Board are committed to addressing the current deficit position and with the financial support of the Department of Health have agreed a break-even plan for 2019/20. To deliver the break-even plan the Trust will have access to Financial Recovery Funding (£11.5m) and to Provider Sustainability Funding (£5.5m) in the financial year. The 2019/20 plan also relies on the Trust achieving a cost improvement programme of £8.5m. There is therefore a material uncertainty that casts significant doubt upon the Trust's ability to continue as a going concern. The Board recognises there is risk associated with the achievement of cost improvement targets but points to recent performance in delivery of savings, £11m in 2017/18 and £11.1 in 2018/19. The planned target for 2019/20 is therefore considered achievable. The Board of Directors have therefore given careful consideration to the Going Concern principle when preparing these accounts, and the planned revenue break-even for 2019/20 supports this decision.

The Trust retains access to the Uncommitted Interim Revenue Support Facility and cash supporting loans are agreed monthly with the Department of Health dependent on cash requirements.

The Board has concluded that although there is an element of material uncertainty, the Directors have a reasonable expectation that the Trust has access to sufficient resources, including revenue allocations and capital loan funding, to continue to provide services to patients for the foreseeable future. For this reason the Board has adopted the going concern basis when preparing these accounts.

These accounts have been prepared on a going concern basis. The financial statements do not contain the adjustments that would result if the company was unable to continue as a going concern.

2018/19 Performance

The Well-led Framework used by NHS Improvement identifies effective oversight by Trust Boards as essential to ensuring trusts consistently deliver safe, sustainable and high quality care for patients. This includes robust oversight of care quality, operations and finance. At the Trust, a Performance Report is submitted monthly to the Board for assurance. For the purpose of reporting, indicators are grouped into the five strategic objectives identified by the Trust (Safe, High Quality Care, Care at Home, Resources, Partners and Value Colleagues).

The following committees receive a version of this report focusing on the relevant metrics applicable to the committee. Trust Board receives a summary Integrated Performance report based on the committees versions.

The Performance report is presented to the following committees:

- Quality, Patient Experience and Safety
- Performance, Finance and Investment
- People and Organisational Development

The monthly report to the Committees and Trust Board identifies performance against: key operational and quality requirements mandated both nationally and locally determined; activity against planned levels, finance and work force information.

Performance against the identified metrics is populated and assigned a Red, Amber or Green rating based on achievement against pre- defined thresholds.

The purpose of this approach is to ensure the Board is provided with robust information on organisational and operational performance.

Further information is provided to the Board on an exception basis where underperformance in a particular area or against a specific target is identified.

During the year the Accountability Framework was also revised and relaunched. The Accountability Framework is designed to support the Trust in delivering its vision and strategic objectives. Performance of each Clinical Division and Estates & Facilities is assessed to monitor and report progress towards the delivery of the annual and longer term plans of the Trust utilising the same themes that are reported within the Integrated Performance Report. Monthly review meetings are held between the Divisions and the Trust Executive Directors. Plans are in place to extend this framework in 2019/20 to include all Corporate Support functions.

Safe, High Quality Care

Emergency Department (ED)

Over the year 85.9% of patients attending emergency services (Emergency Department, Urgent Care Centre and Walk in Centre) were admitted, transferred or discharged within four hours of arrival. Performance was below the 95% standard mandated nationally. The overall performance achieved was an improvement on the performance reported of 82.67% in 2017/18. The difficult winter period covering November 2018 – March 2019 also saw an improvement in comparison to the previous year. This performance improvement was against a backdrop of a 4% increase in attendances at the main Emergency Department, compared to 2017/18.

Ambulance handovers

There are two national quality requirements relating to the timeliness of handovers between the Emergency Department and ambulance staff. The national standard is all handovers should take place within 15 minutes of arrival, with none taking place over 30 minutes and 60 minutes from arrival. Across the year the Trust achieved 72.2% of handovers within 15 minutes which is an improvement compared to the previous year of 65.8%. The number of ambulances recorded with handovers above 60 minutes totalled 155 compared to 236 in 2017/18, another notable improvement against a backdrop of linear growth in ambulance activity.

Referral to Treatment (incomplete pathway) within 18 weeks

The Trust reported 91.02% incomplete RTT against the National Standard of 92%. However this a significant improvement in comparison to the yearend position in March 2018 when performance was 84.74% and the National Benchmarked position of 86.7%. This is the best RTT performance in over 2 years.

The number of patients waiting 40 weeks and over for treatment reduced from 113 patients in May 2018 to 14 patients in March 2019.

One patient waited longer than 52 weeks compared to 13 in the previous year.

Cancer Performance

The Trust achieved six of the seven national cancer targets for the year 2018/19. An additional 1550 2WW GP referrals have been received, equating to a 14.32% increase compared to 17/18. Of the additional 1550 referrals received, 336 of these came from out of area CCG's, equating to a 21.6% increase compared 17/18. All suspected cancer sites have seen an increase in referrals, however, Breast, Children's, Gynaecology, Skin and Head and Neck services have seen the largest increase, with an average of 21% additional referrals made.

Diagnostic waiting times: Percentage of Service Users waiting 6 weeks or more from Referral for a diagnostic test

The national target is that no more than 1% of service users should wait 6 weeks or more and the Trust reported performance of 0.32% for the year which is therefore better than the national target and the national average reported position.

Sleeping Accommodation Breaches

The number of breaches recorded significantly reduced to 18 in comparison to the previous years total of 66. The breaches which were reported all occurred on the high dependency unit. At the beginning of December 2018 we were proud to open our new integrated critical care unit which, along with patient flow improvements since October 2018, has contributed to the reduction in breaches and we anticipate reporting to further improve.

Trust attributable Clostridium difficile infection (CDI) cases

The Trust's annual objective was to have no more than 17 Trust attributable CDI cases and 19 were reported during the year.

Methicillin-resistant Staphylococcus aureus (MRSA)

The Trust reported 2 confirmed case of Methicillin-resistant Staphylococcus aureus (MRSA) in 2018/19. There were 17 never events that occurred in 2018/19. However, 16 of these related to the same issue which was incorrect use of prosthesis and were identified following a retrospective review.

Care at Home

ED Re-attenders

The percentage of patients who re-attended ED within 7 days of their previous attendance fluctuated during the year and equated to 7.43% across the whole year.

Partners

% of Emergency Readmissions within 30 Days of a discharge from hospital

The percentage of emergency re-admissions reported during the year ranged from 9.9% to 11.5% against a trust internal target of 10%.

The newly formed Walsall Together integrated care partnership, with Walsall Healthcare as Host provider, will be identifying appropriate strategic interventions and associated metrics to monitor against during 2019/20.

Resources

Outpatients DNA (Did Not Attend) rates

The Trust has improved the DNA rates during the year to 10.44% compared to 12.16% in 17/18.

The outpatient transformation program has introduced a number of initiatives to improve outpatient attendance:

- Two way interactive, personalised texting, reminding patients to attend their appointments and technology to change the appointment date
- Outsourcing of letters to improve the assurance regarding printing and delivery.

We have a number of services that have a DNA rate of less than 7%, the focus for 19/20 will be to reduce and sustain this reduction across all services. Validation continues to ensure that only patients requiring further treatment or monitoring appointments remain open on the Trust's patient management system. This work has been extremely successful and will continue through 2019/20.

Virtual review of diagnostics and patients waiting a follow up appointment commenced during 2018/19, in line with National guidance to redesign interactions in outpatients. This will reduce the number of formal outpatient appointments patient will be required to attend and improve access in services with challenging waiting times to deliver in 19/20.

Theatre Utilisation - Touch Time Utilisation (%)

The Theatre improvement program has seen the Touch Time Utilisation improve from 70.73% at the start of the year to 92.73% in March 2019. (This measures the time taken to complete a surgical procedure from the start of anaesthesia through to the patient entering recovery) A high level of touch time utilisation represents an effective use of theatre time.

The Theatres improvement program has seen utilisation improvement through:

- Senior Leadership
- Clear accountability at speciality level
- Engagement with key stakeholders
- Transparent reporting based on activity and finance
- Structured performance monitoring system

These actions have ensured that the grip and control measures that are in place along with ensure that the Care Groups retain ownership of the plans.

Value Colleagues

Finance and staffing are covered in section xxx in greater detail.

Performance Indicator	2017/2018	2018/2019	Improved Position?	2018/2019 Target	Benchmark Position
Safe, High Quality Care					
Sleeping Accommodation Breaches	66	18	Yes	0	NA
Trust attributable MRSA infection cases	0	2	No	0	NA
Trust attributable C. Difficile infection cases	11	19	No	17	NA
VTE Risk Assessment	88.49%	94.90%	Yes	95%	Q3: 95.65%
*NHS Safety Thermometer: Harm Free Care	94.75%	95.67%	Yes	94%	NA
Never Events: occurred in month	3	17	No	0	NA
Medication errors causing serious harm	21.42%	13.81%	Yes	12%	NA
A&E waiting times – admitted, transferred or discharged within 4 hours	82.67%	85.90%	Yes	95%	86.6%
Trolley waits in A&E longer than 12 hours	3	0	Yes	0	NA
Ambulance handovers % within 15 minutes from arrival	65.80%	72.20%	Yes	100%	NA
Ambulance handovers >30 minutes from arrival	1836	1474	Yes	0	NA
Ambulance handovers >60 minutes from arrival	236	155	Yes	0	NA
Referral to Treatment (RTT): incomplete <18 weeks snap shot March 2019	84.74%	91.02%	Yes	92%	86.7%
Referral to Treatment (RTT): incomplete >52 week waits at month end	13	1	Yes	0	NA
Diagnostic waiting times: >6 weeks from referral for test	99.06%	99.68%	Yes	99%	97.5%
Cancer: 2 weeks from urgent GP referral to 1st outpatient	95.45%	93.59%	No	93%	92.29%**

Performance Indicator	2017/2018	2018/2019	Improved Position?	2018/2019 Target	Benchmark Position
Safe, High Quality Care					
Cancer: 2 weeks from urgent GP referral for breast symptoms to 1st outpatient	96.55%	88.96%	No	93%	81.24%**
Cancer: 31 days from diagnosis to first definitive treatment	99.39%	99.31%	No	96%	96.15%**
Cancer: 31 days to subsequent treatment – surgery	98.93%	98.81%	No	94%	91.86%**
Cancer: 31 days to subsequent treatment - drug	100%	100%	-	98%	99.14%**
Cancer: 62 days from urgent GP referral to first definitive treatment	88.05%	88.35%	Yes	85%	79.35%**
Cancer: 62 days from referral from NHS screening service to first definitive treatment	98.03%	96.99%	No	90%	86.07%**
Last minute cancelled operations (non-clinical reasons) not re-booked within 28 days	0	8	No	0	NA
Delayed transfers of care – acute beds	2.56%	3.46%	No	2.50%	NA
Urgent operations cancelled for a second time	0	0	-	0	NA
Care at Home					
ED Re-attenders within 7 days	6.74%	7.43%	No	7%	NA
Partners					
% of Emergency Readmissions within 30 days of a discharge from hospital	10.46%	10.73%	No	10%	NA
Resources					
Completion of valid NHS number in acute commissioning dataset submitted via SUS	99.89%	99.93%	Yes	99%	NA
Completion of valid NHS number in A&E commissioning dataset submitted via SUS	99.26%	99.29%	Yes	95%	NA
Outpatient DNA Rate	12.16%	10.44%	Yes	8%	NA
*Theatres Utilisation – Touch Time Utilisation	70.73%	92.73%	Yes	75%	NA

Notes

* (In Title/ Performance Indicator) - Figures of last month of financial year

* (In Benchmarking Position) – Avg. figure of national position of last month of financial year

** (In Benchmarking Position) – Avg. figure of national position of final quarter of financial year

SECTION 2: ACCOUNTABILITY REPORT

Corporate Governance Report

The Directors' Report

The Trust Board meets in public and the meetings are open to anyone who wants to attend. Details, including agenda and papers are available on the Trust website.

Ms Danielle Oum is the Chair of the Trust and took office on 8 April 2016.

Mr Richard Beeken is the Chief Executive of the Trust (Accountable Officer) and was appointed on 26 February 2018.

The table below sets out the names of the Chair, Chief Executive and all individuals who were directors of the Trust from April 2018 until the publication date of this Annual Report. The individuals in the table form the composition of the Trust Board and have authority or responsibility for directing or controlling the major activities of the Trust during the year.

Non-executive directors are not employees of the Trust and are appointed to provide independent support and challenge to the Trust Board. All Board directors are required to comply with the Trust Standards of Business Conduct, including declaration of any actual or potential conflict of interest.

Trust Board Composition

Name	Designation	In Year Start / Leave Dates
Non Executive Directors		
Danielle Oum	Chair	-
John Dunn	Non-executive Director	-
Sukhbinder Heer	Non-executive Director	-
Philip Gayle	Non-executive Director	-
Paula Furnival	Associate Non-executive Director	To 08/03/19
Anne Baines	Non-Executive Director with effect from 14 December 2018 (Associate Non-Executive Director until 13 December 2018)	From 01/07/18
Pam Bradbury	Non-Executive Director	From 01/12/18
Associate Non Executive Directors		
Dr Elizabeth England	Associate Non-Executive Director (non-voting)	From 01/12/18
Alan Yates	Associate Non-Executive Director (non-voting)	From 01/07/18
Executive Directors		
Russell Caldicott	Director of Finance & Performance	-
Daren Fradgley	Director of Strategy & Transformation (non-voting)	-
Richard Beeken	Chief Executive	-
Jenna Davies	Director of Governance (non-voting)	From 04/06/18
Catherine Griffiths	Director of People & Culture (non-voting)	From 10/09/18
Margaret Barnaby	Interim Chief Operating Officer	From 06/12/18
Dr Karen Dunderdale	Director of Nursing / Deputy CEO	From 30/07/18
Dr Matthew Lewis	Medical Director	From 22/10/18
Non Executive and Executive Directors who have left the Trust		
Professor Russell Beale	Non-executive Director	To 04/12/18
Victoria Harris	Non-executive Director	To 10/12/18
Philip Thomas-Hands	Chief Operating Officer	To 15/10/18
Mr Amir Khan	Medical Director	To 19/10/18
Louise Ludgrove	Interim Director of Organisational Development & Human Resources (non-voting)	To 30/08/18
Barbara Beal	Interim Director of Nursing	To 18/05/18

Trust Board Member Profiles



Danielle Oum

*Chair of the Trust Board (Voting Position)
Appointed April 2016*

Danielle has more than 10 years' experience of leading public service business improvement and programme management, and has also worked extensively in the private sector, building and leading international teams. Danielle's professional expertise is in stakeholder engagement and transformational change. Her other professional interests are socio-economic inclusion, cross sector partnerships and regeneration. Danielle was previously the Chair of Dudley and Walsall Mental Health Partnership NHS Trust.



John Dunn

*Non-Executive Director (Voting Position)
Chair of Performance, Finance and Investment Committee
Appointed February 2015*

John's professional life was spent almost exclusively in the Telecoms sector and he has extensive experience in the field of operations, and customer service. His career includes 20 years' experience at divisional board level in a variety of executive and non-executive roles and his last position with BT was as Managing Director Openreach. As MD, he was responsible for the delivery and repair of customer service and for the provision and maintenance of the local access network for the south of the UK.



Sukhbinder Heer

*Non-Executive Director (Voting Position)
Chair of Audit Committee
Appointed September 2016*

Sukhbinder has more than 30 years' senior management experience in corporate finance and private equity as well as leading one of the UK's top professional services companies. Over the past few years Sukhbinder has also undertaken a number of non-executive positions in private, public and charity sectors and is currently also Non-Executive Director and Chair of Audit at Birmingham Community Healthcare Foundation Trust (BCHCFT).



Philip Gayle

*Non-Executive Director (voting position)
Champion for Equality, Diversity and Inclusion
Appointed August 2016*

Phil is currently Chief Executive Officer for Connect West Midlands, an organisation that supports those affected by substance misuse. Phil has considerable experience of the health sector and has also worked as a Non-executive Director for Sandwell and West Birmingham NHS Trust. Phil is passionate about contributing to improving services for patients in particular their experience of care at the Trust and has a strong interest in equality, diversity and ethics.



Paula Furnival

*Associate Non-Executive Director (non-voting position)
Appointed – Left – 08th March 2019*

Paula is the Executive Director of Adult Social Care for Walsall Council, and her experience has been gained in working within the NHS and councils who have social care responsibility. Prior to that Paula was a solicitor working in criminal, youth court and child care law, where she gained a real insight into the social and emotional issues facing many families which led to her gaining her first role in social care in Knowsley on Merseyside, 20 years ago.

She has been a District Director in Staffordshire where she was a commissioner and provider of services across a population of about 150,000, running assessment and care management support for older people, mental health and learning and physical disability services and, care homes, and day services.

In 2010, Paula was part of a small team which helped to form a new provider of community health and social care, the Staffordshire and Stoke on Trent Partnership NHS Trust; the largest single integrated provider of health and care at that time.

More recently Paula has worked for NHS England supporting commissioning delivery and transformation developing CCG five year plans, negotiating on Better Care Fund plans and leading programmes of integrated commissioning, prevention and early intervention support. She describes herself as an advocate of enabling people to live as independently as possible and works to integrate services to best meet the needs of local communities.



Richard Beeken

*Chief Executive (Voting Position)
Appointed March 2018*

A graduate of the NHS Management Training Scheme and the NHS Top Leaders Programme, Richard has extensive NHS Leadership experience, including a number of executive roles. As CEO at Wye Valley NHS Trust, Richard led the organisation out of special measures. He was previously Delivery and Improvement Director for NHS Improvement West Midlands, Interim Chief Executive at Worcestershire Acute Hospitals NHS Trust, and most recently was the Chief Operating Officer for University Hospitals of North Midlands NHS Trust.



Russell Caldicott

*Director of Finance and Performance (Voting Position)
Appointed July 2015*

Russell lives locally and has in excess of 20 years' experience of working within the acute sector of the NHS, formerly undertaking roles such as Senior Divisional Accountant, Associate Director of Finance and Deputy Director of Finance. A Qualified Accountant and advocate of continuing professional development, Russell occupies the role of Executive on the Board of the West Midlands Healthcare Financial Management Association, providing support and opportunities for development to the finance teams of Central England.



Amir Khan

*Medical Director and Director of Infection Prevention and Control (Voting Position)
Appointed October 2011
Left – 19th October 2018*

Amir is a General Surgeon with a specialist interest in Vascular and Bariatric Surgery and joined Walsall in 1992 after completing his training. Amir led on the establishment of Walsall as a regional Bariatric Centre and is the lead accountable Director for the Medical workforce. Amir is also the Director of Infection Prevention and Control and the organisations Caldicott Guardian. Patient Safety and quality of care are key priorities for Amir in ensuring that our clinical outcomes for patients are of a high standard.



Barbara Beal

Interim Director of Nursing (Voting Position)

Appointed November 2017

Left - 18th May 2018

Approaching 45 years in the NHS, Barbara's career has seen her start out as a cadet nurse before progressing to Head of Midwifery and Executive Director of Nursing & Midwifery, Chief Operating Officer and Deputy Chief Executive as well as a Non-Executive Director. Her range of skills means she has been able to offer her knowledge as an experienced nurse and midwife, a clinical advisor, and executive/coach mentor in both the NHS and independent healthcare sector; Barbara is committed to help support the Trust on the next stage of its improvement journey: "To focus on the safety, quality of care and experience of our patients, families, carers and our staff" When not at work, Barbara enjoys spending time with her family and travelling.



Philip Thomas-Hands

Chief Operating Officer (Voting Position)

Appointed October 2016

Left - w/c 15th October 2018

Philip has worked in healthcare since 1985, working across acute hospitals, Mental Health, Primary Care, Medicine, Surgery and Specialised Services across both Gloucestershire and the Midlands.

Philip has also worked for GP fund holders and in the private sector, spending five years as a management consultant to the manufacturing and healthcare industries. For the past four year he has been a Non-executive Director for a housing association. His role is to deliver systems, and constantly improve them, to ensure that clinicians can look after as many patients as possible within the resources available. Professional interests include change management, succession planning, task management and a strong focus on patient experience.



Daren Fradgley

Director of Strategy and Transformation (Non-Voting Position)

SIRO

Appointed January 2016

Daren joined the Trust after holding numerous operational and director posts at West Midlands Ambulance Service NHS Foundation Trust (WMAS). A paramedic by background Daren joined WMAS in 1994 on frontline operations initially in the Black Country and then Birmingham before moving to the Emergency Control Rooms in 2005. He then went on to manage the Trust Performance Improvement team including informatics and Business Intelligence team. In 2013 he became the A&E Operations Director before moving to NHS 111.

Daren is responsible for the Trust's transformation and cost improvement programme together with strategic and business development.



Louise Ludgrove

Interim Director of HR

Appointed May 2017 (non-voting position)

Left - 30th August 2018

Louise joined the Trust in May 2017 as Interim Director of OD & HR. She has worked in the NHS since the early 1990s in provider, integrated and Foundation Trusts. Louise became a Director in 2003 and having worked in permanent roles, became an interim Director in 2011.



Jenna Davies

Director of Governance

Appointed - 04th June 2018 (non-voting position)

Jenna joined the NHS in 2008 and has predominately worked in senior leadership roles in the Corporate and Clinical Governance fields. Jenna studied Law at the University of Central England and qualified in June 2008. Jenna has led and contributed to a number of large scale improvement programmes including a highly complex OD project and preparation for FT application status. Jenna was appointed as Director of Governance in June 2018 and is responsible for the efficient administration of the Trust, particularly with regard to ensuring compliance with statutory and regulatory requirements and for ensuring that decisions of the board of directors are implemented.



Catherine Griffiths

Director of People & Culture

Appointed - 10th September 2018 (non-voting position)

Catherine has a background in local government and more than 20 years' experience of HR and large-scale service transformation and redesign. Her expertise lies in employee engagement and empowering those around her to make positive changes for the benefit of the organisation and its service users.

She joined the NHS for the first time in 2015 where she took on the role of Deputy Director of HR as part of Royal Wolverhampton NHS Trust.

Catherine then made the move to Walsall Healthcare in September 2018 and now sits on the Trust Board as Director of People and Culture – overlooking HR and Organisational Development. Her focus is to ensure a positive and inclusive culture amongst the workforce to ensure staff have the support they need to develop their own talents in order to improve patient experience. Her role also means ensuring staff are living by the trust values (Respect, Compassion, Professionalism and Teamwork) and are supported to be happy and healthy while at work.

Catherine has lived in and around the West Midlands for more than 25 years and is qualified at Masters level in Strategic HR management and holds an LLM in Employment Law.



Margaret Barnaby

Interim Chief Operating Officer

Appointed - 06th December 2018 (voting position)

Mags has extensive senior level experience in planning and delivering services to achieve national and local targets, and in the strategic and operational management of change. She is passionate about the NHS and driven by a desire to make a positive difference to the quality of services for patients and staff. One of her key strengths is an innate ability to identify the links in complex problems, particularly the human dimension, in order to develop strategic vision and problem solving. In over 25 years working at a senior level in the NHS, Mags has held substantive appointments as Director of Human Resources, Director of Operations, and Director of Planning and Strategy in England and Wales. She was awarded a BA (Hons) at Warwick University in 1984, following which she studied a number of professional and post-graduate courses including MSc Strategic Human Resources Management (Leeds Business School 1991), MIPD (1997), Postgraduate Certificate with the National Leadership and Innovation Agency (Birkbeck College 2007). In 2016 Mags attended Harvard Business School to study Advanced Negotiation Skills for Strategic Decision Making.



Dr Karen Dunderdale

*Director of Nursing / Deputy Chief Executive / Director of Infection, Prevention & Control
Appointed - 30th July 2018 (voting position)*

Karen was born and brought up in Scunthorpe. In 1991 she qualified as a registered nurse and worked on a general medical ward before moving to coronary care.

She became a cardiac nurse specialist developing cardiac rehabilitation and heart failure services and became chief nurse in 2011 in an acute trust. Karen has also held the board level roles of Chief Operating Officer, Deputy CEO and acting CEO for a short spell.

She has a PhD in Quality of Life in Chronic Heart Failure from York University and has contributed substantially to the development of cardiac nursing.

More recently Karen has worked for the National nursing team at NHS Improvement and until recently was the vice chair of her local hospice.



Dr Matthew Lewis

*Medical Director / Caldicott Guardian
Appointed - 22nd October 2018 (voting position)*

Matthew was previously Consultant Gastroenterologist at Sandwell & West Birmingham Hospitals NHS Trust, where he has also been a Divisional Director. As Medical Director at Walsall Healthcare NHS Trust, his key areas of focus are to further develop our service integration with primary care and other hospitals, to improve medical engagement in quality governance and patient safety and to better link service plans to medical workforce plans. Matthew is also the organisation's Caldicott Guardian. Patient Safety and quality of care are key priorities for Matthew in ensuring that our clinical outcomes for patients are of a high standard.



Pam Bradbury

*Non-Executive Director (voting position)
Appointed - 01st December 2018*

Pam's career has spanned far and wide, gaining experience as a nurse, manager and leader in the NHS and as a professional advisor within the Dept.of Health. Pam is also a key figure within Healthwatch England – central region.



Dr Elizabeth England

*Associate Non-Executive Director (non-voting position)
Appointed – 01st December 2018*

Dr Liz England is a GP working in a busy inner-city practice in Birmingham since 2005, where she leads on mental health and learning disabilities. She is also the Mental Health and Learning Disability Clinical Lead for Sandwell West Birmingham (SWB) CCG. Prior to this, Liz trained as a clinical academic in the Department of Primary Care. She gained her PhD in Mental Health at the University of Birmingham and led the mental health team for a number of years and was principle investigator on a number of NIHR funded research studies exploring the development of integrated primary care mental health service models.

After thirteen years as an academic clinician, she decided to have a more direct influence on mental health service development and took up the post of clinical commissioner in SWB CCG. Working with the Joint Commissioning team for mental health in Birmingham and a range of other partners, including people with lived experience of mental health problems, she has been involved in developing community based integrated primary care mental health services and improving specialist mental health services such as Early Intervention Services. She is especially interested in developing preventative, holistic services that support people's bio-psycho-social needs before mental health problems develop. This is particularly important children and young people. Important aspects of this role include quality and safety and safeguarding.

She is also currently a national clinical advisor for the NCCMH community mental health team pathway being developed, working with an inspiring group of people from all backgrounds and is the RCGP Mental Health and Whole Person Care Clinical Lead. She wrote the RCGP mental health position statement and has been supporting the development of the mental health curriculum for trainee GPs and provide educational resources for GP colleagues.

Personal interests include a love of cooking, taking her dog for a walk (and carrying him most of the way!) and yoga.



Alan Yates

*Associate Non-Executive Director (non-voting position)
Appointed – 01st July 2018*

Alan has over 25 years senior management experience in the affordable housing sector in regeneration and development, primarily in the Black Country. He has a particular interest in the relationship between housing and health and he is the Chairman of the Sustainable Housing Action Partnership (SHAP), the National Housing Federation Regional Investment Group, and Energiesprong UK.



Anne Baines

*Associate Non-Executive Director (non-voting position)
Appointed - 1st July 2018*

Anne has had near 40 years' experience within the NHS in the West Midlands. Before taking (semi) retirement in 2017 she had spent the last 15 years in and around Board level roles in both providing and commissioning roles covering strategy, business development and transformation, communications and HR. She was the Director Strategy at Walsall Healthcare Trust from 2010-2014 and is happy to have returned as an associate Non Executive member as she has fond memories of the Trust and colleagues working there. Anne is a member of the Quality and Safety Committee and has been appointed the NED lead for the Freedom to Speak Up policy.

Arrangements for the performance review of Board members

All Board members have an annual appraisal. The Chair has here appraisal with the appropriate Director of NHS Improvement. The Chair conducts appraisals with all Non-Executive Directors. The annual objectives of the Chief Executive reflect the priorities of the Trust set by the Trust Board and are agreed with the Chair. The Chair reviews the Chief Executive's performance against these objectives. Each executive director agrees objectives with the Chief Executive. The Chief Executive conducts performance reviews for each Director. The annual appraisals for all Executive Directors, including the Chief Executive, are reported to the Remuneration Committee.

Attendance at Trust Board meetings

Trust Board	Total %	Attended	Sessions
Executive Directors			
Richard Beeken	82%	9	11
Russell Caldicott	100%	11	11
Karen Dunderdale	100%	6	6
Philip Thomas Hands	88%	7	8
Margaret Barnaby	67%	2	3
Amir Khan	100%	7	7
Matthew Lewis	100%	4	4
Barbara Beal	0%	0	1
Jenna Davies	89%	8	9
Louise Ludgrove	100%	5	5
Catherine Griffiths	100% 5 5		
Daren Fradgley	73% 8 11		
Non-Executive Directors			
Danielle Oum	100%	11	11
John Dunn	91%	10	11
Sukhbinder Heer	82%	9	11
Russell Beale	75%	6	8
Victoria Harris	75%	6	8
Phil Gayle	100%	11	11
Anne Baines	100%	8	8
Pam Bradbury	50%	1	2
Paula Furnival	45%	5	11
Liz England	100%	2	2
Alan Yates	50%	4	8

Company Directorships and Other Significant Interests held by members of the Board

The Board of Directors has a legal obligation to act in the best interests of the organisation in accordance with its governing document and to avoid situations where there may be a potential conflict of interest. As such, there is a requirement for Board Members to register company directorships and other significant interests that they hold that may be perceived as conflicting with their overriding duty as a Board Member.

The Trust's register of interest is shown below and is also available on our public website and can be found by using the following link:

www.walsallhealthcare.nhs.uk

The register is updated as interests are declared and at least annually and is reviewed by the Audit Committee and the Trust Board.

Register of Interest of Trust Board members during 2019/20

Name	Position/Role at Walsall Healthcare NHS Trust	Interest Declared
Ms Danielle Oum	Chair	Board Member: WM Housing – Unknown end Date Board Member: Wrekin Housing – Unknown end Date Chair Healthwatch Birmingham Committee Member: Healthwatch England Chair: Midlands Landlord whg Co - Chair, Centre for Health and Social Care, University of Birmingham from 10 Dec 2018
Professor Russell Beale	Non-executive Director	Director, shareholder: CloudTomo - security company – pre commercial. Founder & minority shareholder: BeCrypt – computer security company. Director, owner: Azureindigo – health & behaviour change company, working in the health (physical & mental) domains; producer of educational courses for various organisations including in the health domain. Academic, University of Birmingham: research into health & technology – non-commercial. Spouse: Dr Tina Newton, is a consultant in Paediatric A&E at Birmingham Children’s Hospital & co-director of Azureindigo. Journal Editor, Interacting with Computers. Governor, Hodnet Primary School. Honorary Race Coach, Worcester Schools Sailing Association. Non-executive Director for Birmingham and Solihull Mental Health Trust with effect from January 2017.
Mr John Dunn	Non-executive Director	No Interests to declare.
Ms Paula Furnival	Associate Non-executive Director	Executive Director of Adult Social Care, Walsall Council.
Mrs Victoria Harris	Non-executive Director	Manager at Dudley & Walsall Mental Health Partnership NHS Trust Governor, All Saints CE Primary School Trysull Spouse, (Dean Harris) Deputy Director of IT at Sandwell & West Birmingham Hospital from March 2017
Mr Sukhbinder Heer	Non-executive Director	Non-executive Director of Hadley Industries PLC (Manufacturing) Partner of Qualitas LLP (Property Consultancy). Non-executive Director Birmingham Community NHS Foundation Trust (NHS Entity). Non-executive Director Black Country Partnership NHS Foundation Trust Chair of Mayfair Capital (Financial Advisory). Partner - Unicorn Ascension Fund (Venture Capital)
Mr Philip Gayle	Non-executive Director	Chief Executive Newservol (charitable organisation – services to mental health provision).
Mrs Anne Baines	Non-executive Director	Director/Consultant at Middlefield Two Ltd Associate Consultant at Provex Solutions Ltd Clinical Strategy Lead – Worcester Acute Hospitals NHS Trust
Ms Pamela Bradbury	Non-executive Director	Chair of Healthwatch Dudley Consultant with Health Education England People Champion – NHS Leadership Academy Partner is an Independent Clinical Lead with Sandwell and West Birmingham Clinical Commissioning Group

Mr Alan Yates	Associate Non-executive Director	Director Sustainable Housing Action Partnership Director Energiesprong Uk Director Liberty Developments LTB Trustee Birmingham and Country Wildlife Trust Executive Director Accord Housing Association Ltd
Dr Elizabeth England	Associate Non-executive Director	Clinician – Laurie Pike Health Centre, Modality Clinician – Lilley Road Medical Centre, GP at Hand Mental Health & Learning Disability Clinical Lead, SWB CCG Clinical Director – Mindsafe Mental Health Clinical Lead – RCGP
Mr Richard Beeken	Chief Executive	Spouse, Fiona Beeken is a Midwifery Lecturer at Wolverhampton University. Director – Watery Bank Barns Ltd.
Mr Russell Caldicott	Director of Finance and Performance	Chair and Executive Member of the Branch of the West Midlands Healthcare Financial Management Association
Mr Daren Fradgley	Director of Strategy and Improvement	Director of Oaklands Management Company Clinical Adviser NHS 111/Out of Hours
Dr Matthew Lewis	Medical Director	Spouse, Dr Anne Lewis, is a partner in general practice at the Oaks Medical, Great Barr Director of Dr MJV Lewis Private Practice Ltd.
Dr Karen Dunderdale	Director of Nursing/Deputy CEO	No Interests to declare.
Ms Jenna Davies	Director of Governance	No Interests to declare.
Miss Catherine Griffiths	Director of People and Culture	Catherine Griffiths Consultancy Ltd Chattered Institute of Personnel (CIPD)
Ms Margaret Barnaby	Interim Chief Operating Officer	Director of Ltd Company as a Management Consultant Husband has properties

Personal data related incidents reported to the Information Commissioners' Officer – 2018/19

The Trust had a total of 4 reportable incidents during 2018/19 relating to information governance data breaches during this period. This included inappropriate access to staff data via ESR by another member of staff with the same name as the data subject, a subject access request which contained the personal data of a third party which was not fully redacted, patient data being left unattended during an assessment and a member of staff transferring personal identifiable data to their own email address. These were all promptly reported to the Information Commissioner's Office and appropriate remedial and investigative action taken.

Incident Date	Nature of Incident	Nature of Data Involved	Number of Data Subjects	Notification Steps
13/04/2018	On a date unknown an employee had been to the ESR office to have their password re-set as they needed to access their ESR record to view their payslip. A member of the ESR Team provided the employee with a username and password. When the employee logged on at home and opened the payslip (with the help of her daughter in law) she realised that this wasn't her record but was for a colleague with the same name	Payslip details: - Date of Birth - Marital Status - NI Number - Phone Numbers & Personal E-Mail - Addresses - Qualifications - Emergency Contact Details - Sexual Orientation - Religious Belief - Registrations and Memberships - Disability Information - Bank Account Details (Salary Payments) - Absence Calendar (Sickness Records/Annual Leave/Special Leave etc.) - Compliance & Competency profile - Payslip Assignment Number Tax Code Salary NI Number Contractual Hours Increment Date - Pay scale Details - Pay & Allowance Details - Pay Deduction Details (e.g. Tax, Pension, Childcare Vouchers etc.)	One	Compliance and Risk team – notified 20/04/2018 Duty of candour applied. Reported on STEIS – 26/04/2018 Reported on the IG Toolkit - 26/04/2018 Acknowledgement received from ICO 27/04/2018
27/07/2018	Unredacted third party data was disclosed as part of a subject access request. Personal information included that of four people who were not the data subject.	Personal data of 5 data subjects (Mother, 3 children and Father) being disclosed to the Father when requesting information relating to his child	Five	Compliance and Risk team – notified 30/07/2018 Duty of candour applied. Reported on STEIS – 31/07/2018 Reported on the IG Toolkit - 31/07/2018 Acknowledgement received from ICO 28/03/2019

Incident Date	Nature of Incident	Nature of Data Involved	Number of Data Subjects	Notification Steps
20/11/2018	A laptop bag containing a personal laptop, password protected memory stick and 6 sets of Walsall wheelchair patient notes was left at a Wrottesley Park nursing home in Wolverhampton whilst the RE was undertaking a patient assessment with Wolverhampton Therapy staff. During the assessment the therapy staff member sustained a head injury and the RE took them to hospital leaving the bag behind. On return to the nursing home, the bag could not be located.	Six sets of records for Walsall Wheelchair patients were misplaced when in the possession of a Rehab Engineer, employed by a third party Trust, contracted to work for Walsall Healthcare NHS Trust. The records pertained to 4 children, 2 adults (one of which was noted to have cognitive impairment).	Six	Compliance and Risk team – notified 26/11/2018 Duty of candour applied. Reported on STEIS – 28/11/2018 Reported on the IG Toolkit - 28/11/2018 Acknowledgement received from ICO 05/12/2018
15/03/2019	As part of a disciplinary investigation it has been necessary to gain access to a member of staff work emails. It has been found that patient information has been emailed to their personal email addresses from their Trust account.	A practice nurse referral with full patient details and 2 emails containing handover documents with patients names, ages, conditions and treatment regimes.	57	Compliance and Risk team – notified 15/03/2019 Duty of candour applied. Reported on STEIS – 18/03/2019 Reported on the IG Toolkit - 18/03/2019 Acknowledgement received from ICO 18/03/2019

Statement of Disclosure to Auditors

Each individual who is, or was, a member of the Trust Board in the year covered by this report confirmed that, as far as they are aware, there is no relevant audit information which would be relevant to the auditors for the purposes of their audit report, and of which the auditors are not aware, and have taken all the steps that they ought to have taken to make themselves aware of any such information and to establish that the auditors are aware of it.

Statement of the Chief Executive's responsibilities as the accountable officer of the trust

The Chief Executive of NHS Improvement, in exercise of powers conferred on the NHS Trust Development Authority, has designated that the Chief Executive should be the Accountable Officer of the trust. The relevant responsibilities of Accountable Officers are set out in the NHS Trust Accountable Officer Memorandum. 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 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.

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

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

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.



Richard Beeken
Chief Executive

Date: July 2019

Remuneration and Staff Report

Remuneration Policy

The trust's approach to Remuneration Policy for Directors is ensuring the salary is within the average range for trusts of a similar size and scope in order that directors' pay remains both competitive and value for money.

The trust has a Remuneration Committee that agrees the remuneration packages for executive directors. Further information about this committee can be found in the Corporate Governance Report section of this Annual Report.

Fair Pay Disclosure

Fair Pay Disclosure

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.

In 2018/19, 0 employees received remuneration in excess of the highest-paid Director (there were 0 in 2017/18).

Remuneration ranged from £17,652 to £162,075 (2017-18 - £15,404 to £200,000).

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

The Nominations and Remuneration Committee agrees remuneration packages for Executive Directors. The notice period and termination payments are defined within the NHS Agenda for Change payment model as for all employees. No performance bonus payments were made to directors during the financial year.

The information contained within summary financial statements has been subject to external audit scrutiny. In addition, the directors' remuneration tables have been audited for compliance with Statutory Instrument 2008 No 410.

Pay Multiples – Audited

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 Walsall Healthcare NHS Trust in the financial year 2018-19 was £162,075 (2017-18, £200,000). This was 5.97 times (2017-18, 7.8) the median remuneration of the workforce, which was £27,146 (2017-18, £26,000). In 2018-19 no employees received remuneration in excess of the highest-paid director.

The pay multiple has reduced from 7.8 to 5.97 times the median salary largely due to a change in the highest paid Director during the financial year reflecting a reduction in salary.

Name and Title	2018 - 2019						2017-2018					
	Salary (bands of £50000) £000	Other Remuneration (bands of £50000) £000	Long-term Performance Pay & Bonuses (bands of £50000) £000	Expense Payments (taxable) to the nearest £100	All Pension Related Benefits (bands of £25000) £000	TOTAL (bands of £50000) £000	Salary (bands of £50000) £000	Other Remuneration (bands of £50000) £000	Long-term Performance Pay & Bonuses (bands of £50000) £000	Expense Payments (taxable) to the nearest £100	All Pension Related Benefits (bands of £25000) £000	TOTAL (bands of £50000) £000
Ms D.OUM, Chairman (from 8 April 2016)	30-35					30-35					30-35	
Mr R.BHEKEN, Chief Executive (from 26 February 2018)	160-165					10-15				0	10-15	
Mr R.KIRBY, Chief Executive (left 28 February 2018)						140-145				40-42.5	180-185	
Mr R.CALDICOTT, Director of Finance (from 1 July 2015)	125-130					110-115				0	110-115	
Mrs M.BARNABY, Interim Chief Operating Officer (from 6 December 2018)	75-80					85-90						
Mr P.THOMAS-HANDS, Chief Operating Officer (from 10 December 2016 to 6 Jan 2019)	90-95					90-95				40-42.5	160-165	
Mr M.LEWIS, Medical Director (from 22 October 2018)	25-30	35-40	10-15		22.5-25	100-105						
Mr A.KHAN, Medical Director (left 31 December 2018)	60-65	60-65	20-25			150-155		30-35		0	200-205	
Mrs KAREN DUNDERDALE (from 30 July 2018)	85-90					85-90						
Ms B.BEAL, Director of Nursing (left 18 May 2018)	10-15					10-15					35-40	
Mrs R.OVERFIELD, Director of Nursing (left 29 October 2017)						70-75					70-75	
Mr D.FRAIGLEY, Director of Transformation and Strategy (April 2015 Interim, Permanent from 1 January 2016)	105-110				5-7.5	115-120				0	95-100	
Mr M.SINCLAIR, Director of Strategy (left 11 May 2017)						40-45				0	40-45	
Ms C.GRIFFITHS, Director of Culture & People (from 10 September 2018)	55-60					55-60						
Mrs J.DAVIES, Director of Corporate Governance & Trust Secretary (from 4 June 2018)	80-85					80-85						
M.J.WHITE, Interim Trust Secretary (from 9 April 2018)	120-125					120-125						
Mr J.DUNN, Non-Executive Director (from 1 February 2015)	5-10					5-10					5-10	
Mr P.GAYLE, Associate Non-Executive Director (from 1 August 2016)	5-10					5-10					5-10	
Mr S.HEER, Non-Executive Director (from 15 September 2016)	5-10					5-10					5-10	
MRS JUNE BAINES, Non-Executive Director (from 1 July 2018)	0-5					0-5					0-5	
Mr A.YATES, Non-Executive Director (from 1 August 2018)	0-5					0-5					0-5	
Ms PAMELA BRADBURY, Non-Executive Director (from 1 December 2018)	0-5					0-5					0-5	
Dr E ENGLAND, Non-Executive Director (from 1 December 2018)	0-5					0-5					0-5	
Mr R.BEALE, Non-Executive Director (left 10 December 2018)	0-5					0-5					5-10	
Mr S.HARRIS, Non-Executive Director (left 4 December 2018)	0-5					0-5					5-10	
Ms D.CARRINGTON, Associate Non-Executive Director (left 8 February 2018)	0-5					0-5					5-10	
Mr J.SILVERWOOD, Non-Executive Director (left 31 January 2018)						5-10					5-10	
Dr J.SHAPIRO, Non-Executive Director (left 31 October 2017)						0-5					0-5	

**Other Remuneration - Mr A Khan
This is the salary payment as a Medical Consultant.

B - Pension Benefits - Audited

Name and Title	Real increase in pension at pension age in Bands of (£2,500)	Real increase in pension lump sum at pension age in Bands of (£2,500)	Total accrued pension as pension age at 31 March 2019 in Bands of (£5,000)	Lump sum at pension age related to accrued pension at 31 March 2019 in Bands of (£5,000)	Cash Equivalent Transfer Value at 31 March 2019 £000	Real Increase in Cash Equivalent Transfer Value £000	Cash Equivalent Transfer Value at 31 March 2018 £000	All Pension Related Benefits £000	Employer's contribution to stakeholder pension £000
Mr R.BEEKEN, Chief Executive (from 28 February 2018)	2.5-5	0-2.5	50-55	120-125	911	147	742	11	0
Mr P.THOMAS-HANDS, Chief Operating Officer (from 10 December 2016)	0	0-2.5	40-45	125-130	966	74	845	(13)	0
Mr R.CALDICOTT, Director of Finance (from 1 July 2015)	2.5-5	2.5-5	30-35	70-75	544	122	411	3	0
Mrs MARGARET BARNABY, Nurse Director (from 6 December 2018)	0-2.5	2.5-5	25-30	75-80	644	20	565	13	0
Mr A.KHAN, Medical Director (left 31 December 2018) - Over pensionable age	0	0	0	0	0	0	0	0	0
Mr M.LEWIS, Medical Director (from 22 October 2018)	0-2.5	0-2.5	50-55	125-130	1,045	70	860	23	0
Mr D.FRADGLEY, Director of Transformation and Strategy (1 January 2016)	2.5-5	5-7.5	30-35	75-80	545	123	409	7	0
Ms C.GRIFFITHS, Director of Culture & People (from 10 September 2018)	2.5-5	0	0-5	0	43	24	0	(5)	0

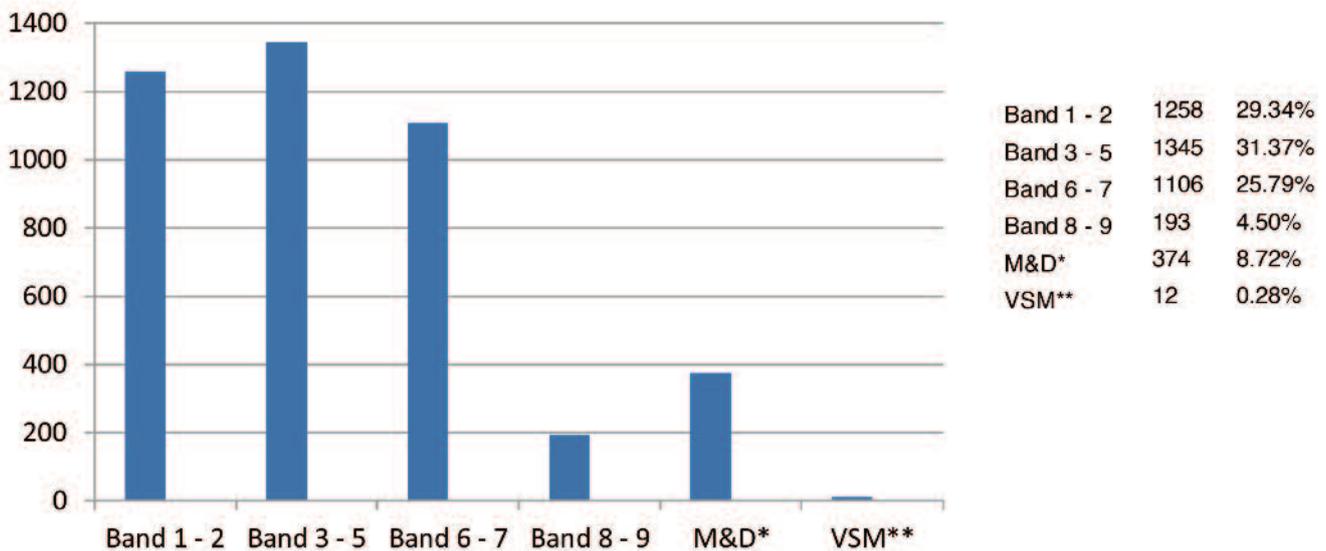
Our organisation and people

As at 31 March 2019, Walsall Healthcare NHS Trust employed 4288 substantive staff. Of these, 3918 colleagues were permanently employed on recurrent, open-ended contracts of employment. A further 370 colleagues were employed on fixed term contracts of employment.

The following table provides a snapshot of the average workforce composition during 18/19:

	Headcount
Additional Clinical Services	763
Additional Professional Scientific and Technical	143
Administrative and Clerical	946
Allied Health Professionals	249
Estates and Ancillary	396
Healthcare Scientists	77
Medical and Dental	376
Nursing and Midwifery Registered	1358
Students	22

All staff by pay band:



*Medical & Dental

**Very Senior Manager/Director

Equal Opportunities

All staff by gender

Female	Male
3515	773
81.97%	18.03%

Senior Managers by gender

Female	Male
177	265
40.05%	59.95%

*For the purposes of this document, "Senior Managers" represent colleagues employed on a Band 8B+, VSM or Medical Consultant contract.

During the next year, specific actions will be carried out to reduce the gender pay gap, including:

- A review of current recruitment & selection practices to ensure that opportunities are inclusive.
- Establishing what more can be done to improve flexible working.
- Investigating how we can recognise female contributions to the continuous improvement of NHS services by encouraging applications for Clinical Excellence Awards (CEA).

All staff by ethnicity

White	BAME	Unknown
3118 72.71%	1161 27.08%	9 0.21%

Senior Managers* by ethnicity

White	BAME	Unknown
148 33.48%	289 65.38%	5 1.13%

99.79% of the substantive workforce has chosen to disclose its ethnic background, with 27.08% of colleagues declaring themselves to be from a BAME background, representative of the local population and national NHS Workforce. (NHS BAME Workforce population – 18.2%).

BAME (Black, Asian and Minority Ethnic) colleagues account for 73.42% of the medical consultant workforce, whilst 12.50% of the Band 8B – Band 9 workforce have identified themselves as being from a BAME background.

The Trust is committed to equality of opportunity and recognises that a renewed Equality, Diversity and Inclusion action plan is required to address the disparity identified in publications such as the Workforce Race Equality Standards review.

Substantive senior staff (or senior managers) by band	Headcount
Band 8 - Range B	34
Band 8 - Range C	16
Band 8 - Range D	6
VSM**	12
Consultant (Medical & Dental)	156
Total	224

**Very Senior Manager/Director

	Female		Male	
All Substantive Colleagues	3515	81.97%	773	18.03%
Of which are:				
Directors	4	50.00%	4	50.00%
Senior staff	81	37.50%	135	62.50%

Our workforce is predominately female (81.97%), and this is the predominant gender in all of the staff groups except for medical staff and senior managers where the position is the reverse. NHS Employers estimates that the NHS workforce is 77% female and 23% male. Our workforce gender percentage is therefore slightly higher compared to the overall NHS gender percentage in England. As part of the Trust's Equality, Diversity and Inclusion Strategy consideration will be given to the gender distribution and whether targeted intervention is required, particularly at the senior manager level where the gender percentage is lower than average.

While the gender gap for colleagues within Band 1-8a roles falls in line with the overall NHS gender percentage in England, the average number of female colleagues holding more senior positions is 40.05%. Amongst the medical and dental workforce only 4 out of every 10 positions is held by a female colleague, with men making up 72.44% of consultant staff. We can use this data to inform our recruitment campaigns to try and rebalance the gender difference at higher bands.

Other Protected Characteristics

Diversity and Inclusion is integral to how we attract, retain, develop and engage our staff and the team relationship we build with each other. If staff feel engaged, motivated, valued and part of a team with a sense of belonging, patients are more likely to be satisfied with the service they receive. Inclusive workplaces are crucial for our wellbeing, in improving the quality of patient care and outcomes and minimising risk.

Walsall Healthcare NHS Trust embraces the diversity of people from all groups in society. It values differences in age, disability, gender, marital status, pregnancy and maternity, race, sexual orientation, and religion or belief. It is committed to eliminating unlawful discrimination by ensuring that equality, diversity and human rights are central to its policy making, service planning, employment practices, patients and community engagement and involvement.

As a public sector organisation the Trust has an obligation as an employer to have policies and procedures that are sensitive to these differences. It aims to employ a workforce which is representative of the population it serves because by doing so, the trust is better able to treat its patients effectively and be a better place to work.

Although health overall is improving, unacceptable health inequalities persist between different communities in the region. As a provider of both acute and community services, the trust is in a powerful position to make a lasting difference to the health and wellbeing of the population.

The organisation has made some gains in embedding inclusive practice as an integral part of the organisation, but still has much to do. As well as fulfilling its statutory responsibilities, the trust also needs to make sure that people in the West Midlands experience real improvements in health and wellbeing. The trust's ambition is for Walsall to be recognised as a leader of equality and diversity in the workplace, and more importantly in the delivery of inclusive and high-quality healthcare services for all.

Staff Sickness Absence

	2018/19	2017/18	2016/17
Total Working Days Absent	44,344	42,776	39,391
Total Average FTE Staff	3,673	3,791	3,796
Average working Days absent	12	11	10

*(Based upon 225 days in a FTE working year).

ref accounts section

The Trust continues to build on the Health and Wellbeing agenda.

During the past 12 months the trust has:

- Run workshops to facilitate a discussion to help shape and further develop the Health and Wellbeing service in order to support attendance at work for all staff.
- A review of the Attendance policy has resulted in a new policy being drafted and progressed, the focus of the policy being on Health and Wellbeing and preventative action taken early on in the process,
- The Trust has invested in both the Occupational Health and the Health & Wellbeing teams.
- Continues to provide
 - stress management group sessions for staff, resilience training, stress management sessions for managers, counselling service
 - MSK fast-track referrals

During 2019/20, we are planning on:

- Launch of new Attendance policy Summer 2019
- Further investment around preventative, lifestyle promotion and support

Staff Policies

The Trust has a range of HR policies that support staff and which are widely available on the Intranet. In respect of disability, the Trust's Recruitment and Selection Policy and Guidelines sets out the Trust's commitment to ensuring that all staff, including those who are disabled are treated fairly and equitably in relation to the appointment processes. The Trust is a disability confident employer and as two tick accreditation, guaranteeing an interview for disabled applicants who meet the person specification and to ensure reasonable adjustments are made.

The Trust has an Equality, Diversity and Inclusion group, which amongst others ensures that disabled persons have equal access to development and support.

The Attendance Policy and Occupational Health Service ensure that staff who become disabled are given appropriate training, support and redeployment opportunities. The Trust monitors its employment and policies to ensure actions are taken to avoid unlawful discrimination whether direct or indirect.

The Trust has signed up to the Dying Matters pledge as promoted by Unison.

The full range of Human Resources Policies is available to all Trust employees via the Trust's Intranet.

The Trust maintains an excellent relationship with staff side representatives through established employee and management consultation and negotiating forums (Joint Staff Consultation and Negotiating Committee, Local Negotiating Committee and Junior Doctors forum). These forums continue to provide invaluable feedback to Trust management on matters of concern to employees and allows for consultation of any proposed changes.

The Trust continues to maintain the Department of Health and Social Care's principle of improving the working lives of staff and supports the NHS agenda of maintaining healthy work environment for all staff. Our Occupational Health service delivers health awareness and offers health surveillance programmes for staff and maintains a comprehensive counselling service.

Consultancy costs

The Trust paid £1.73m on consultancy costs during 2018/2019.

Off Payroll

For all off-payroll engagements as of 31 March 2019, for more than £245 per day and that last longer than six months:

TABLE 1 Off-payroll engagements longer than 6 months

For all off payroll engagements as of 31.3.19, for more than £245 per day lasting longer than 6 months	Number
Number of existing engagements as of 31.3.2019	11
Of which, the number that have existed:	
less than 1 year at the time of time of reporting	8
for between 1 and 2 years at the time of reporting	3
for between 2 and 3 years at the time of reporting	
for between 3 and 4 years at the time of reporting	
for 4 or more years at the time of reporting	

For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2018 and March 2019, for more than £245 per day and that last for longer than six months.

TABLE 2 New Off-payroll engagements	Number
No. of new engagements, or those that reached six months in duration, between 1 April 2018 and 31 March 2019	8
Of which:	
No. assessed as caught by IR35	4
No. assessed as not caught by IR35	4
No. engaged directly (via PSC contracted to department) and are on the entities payroll	4
No. of engagements reassessed for consistency / assurance purposes during the year.	1
No. of engagements that saw a change to IR35 status following the consistency review	1

For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2018 and 31 March 2019

Table 3: Off-payroll board member/senior official engagements	Number
Number of off payroll engagements of 'board members, and/or senior officers with significant financial responsibility' during the year (1)	0
Total No. of individuals on payroll and off-payroll that have been deemed 'board members and/or senior officials' with significant financial responsibility during the year. This figure includes both on payroll and off payroll engagements (2).	17

Note:

- (1) There should only be a very small number of off-payroll engagements of board members and/or senior officials with significant financial responsibility, permitted only in exceptional circumstances and for no more than six months
- (2) As both on payroll and off-payroll engagements are included in the total figure, no entries here should be blank or zero. In any cases where individuals are included within the first row of this table the department should set out:

- Details of the exceptional circumstances that led to each of these engagements.
- Details of the length of time each of these exceptional engagements lasted.

Exit Packages

Exit package cost band (including any special payment element)	Number of compulsory redundancies	Cost of compulsory redundancies	Number of other departures agreed	Cost of other departures agreed	Total number of exit packages	Total cost of exit packages	Number of departures where special payments have been made	Cost of special payment element include in exit packages
	Number	£000's	Number	£000's	Number	£000's	Number	£000's
Less than £10,000	3	15			3	15		
£10,000 - £25,000	1	18	1	25	2	43		
£25,001 - £50,000	2	67			2	67		
£50,001 - £100,000								
£100,001 - £150,000								
£150,001 - £200,000								
>£200,000								
Totals	6	100	1	25	7	125	0	0

Redundancy and other departure costs have been paid in accordance with the provisions of the NHS Pensions Scheme. Exit costs in this note are accounted for in full in the year of departure. Where the Walsall Healthcare NHS Trust has agreed early retirements, the additional costs are met by the Walsall Healthcare NHS Trust and not by the NHS Pensions Scheme. Ill-health retirement costs are met by the NHS Pensions Scheme and are not included in the table.

A Mutually Agreed Resignation (MAR) Scheme is a scheme whereby organisations may offer a severance payment to an employee to leave their employment voluntarily. The scheme has been developed to assist employers in addressing some of the financial challenges facing the NHS and its key purpose is to create job vacancies for colleagues facing redundancy. The scheme is time limited and has HM Treasury approval. There have been no MARS agreements in the financial year.

This disclosure reports the number and value of exit packages agreed in the year.

Note: the expense associated with these departures may have been recognised in part or in full in a previous period.

Compensation - Early Retirement/Loss of Office & Payments to Past Directors There were no compensation payments during the financial year ending on the 31st March 2019 for early retirements or loss of office or payments made to past directors.

Annual Governance Statement 2017/18

Scope of responsibility

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Walsall Healthcare NHS Trust, to evaluate the likelihood of those risks being realised and the impact, should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Walsall Healthcare NHS Trust for the year ended 31 March 2019 and up to the date of approval of the Annual Report and Accounts.

Capacity to handle risk

Leadership

The Trust Board has the ultimate responsibility for risk management and must be satisfied that appropriate policies and strategies are in place and that systems are functioning effectively. The Board has established an Audit Committee who assists the Board in this process by performing an annual review of the effectiveness of the risk management activities supported by the Chief Internal Auditor's annual work, report and opinion on the effectiveness of the system of internal control.

Our Trust Board is supported by a range of Committees that scrutinise and review assurances on internal control; such Committees include the People and Organisational Development Committee, Performance, Finance, and Investment Committee, and the Quality, Patient Experience, and Safety Committee.

Training

Training and education are key elements of the development of a positive risk management culture. Risk management forms a fundamental aspect of many training activities throughout the Trust, where staff are provided with the necessary awareness, knowledge and skills to work safely and to minimise risks at all levels.

Risk management awareness training is delivered to all members of staff through our induction programme and to existing staff through mandatory training programmes.

The Trust is moving to a new divisional governance structure, which will support clinical and non-clinical areas in areas such as risk management, patient safety, health and safety, and quality improvement. This expertise will support in the effective management of operational, corporate and strategic risks. Established organisational learning mechanisms enable us to continue to improve the level of risk awareness at all levels of the organisation, these include: the use of root cause analysis in incident investigations; policy and process reviews; clinical and organisational audit; data analysis; improvement planning; internal communication channels; and training programmes.

The Trust Board regularly scan the horizon for emergent opportunities or threats, and considers the nature and timing of the response required in order to ensure risk is kept under prudent control at all times.

The risk and control framework

The Risk Management Strategy provides a framework for managing risks across the Trust and is consistent with best practice and Department of Health guidance. The strategy provides a clear, structured and systematic approach to the management of risks to ensure that risk assessment is an integral part of clinical, managerial and financial processes across the organisation. The strategy sets out the role of the Trust Board and its committees together with the individual responsibilities of the Chief Executive, Executive Directors and all staff, in managing risk.

Risk management by the Trust Board is underpinned by four (4) interlocking systems of internal control:

- The Board Assurance Framework
- Trust Risk Register (informed by Divisions, Care Groups and Teams)
- Audit Committee
- Annual Governance Statement

The Board Assurance Framework (BAF) sets out the key risks to the Trust's strategic objectives together with the controls in place to mitigate the risks and the assurance that can be evidenced relating to their control.

The Board has overall responsibility for ensuring systems and controls are in place, sufficient to mitigate risks which may threaten the achievement of the Trust's objectives. The Board achieves this primarily through the work of its sub committees, through use of Internal Audit and other independent inspection and by systematic collection and scrutiny of performance data to evidence the achievement of the objectives.

The BAF is designed to provide the Board with a simple but comprehensive method for the effective and focussed management of Principal Risks to Trust objectives. The Board defines the Principal Risks and ensures that each is assigned to a Lead Director as well as to a Lead Committee:

- The Lead Director is responsible for assessing any Principal Risks assigned to them by the Board and for providing assurance as to the effectiveness of primary risk controls to the Lead Committee
- The role of the Lead Committee is to review the Lead Director's assessment of their Principal Risks, consider the range of assurances received as to the effectiveness of primary risk controls, and to recommend to the Lead Director any changes to the BAF to ensure that it continues to reflect the extent of risk exposure at that time
- The Audit Committee is responsible for reviewing the whole BAF in order to provide assurance to the Board that Principal Risks are appropriately rated and are being effectively managed; and for advising the Board as to the inclusion within the BAF of additional risks that are of strategic significance. During 2018/19 the Board refreshed its BAF. The Trust Board has received and reviewed the Board Assurance Framework three times throughout the year. Internal audit have reviewed the processes and controls around the Trust's BAF and found that the Assurance Framework in place is founded on a systematic risk management process and does provide assurance to the Board. The Assurance Framework does reflect the Trust's key objectives and risks and is reviewed on at least a quarterly basis by the Board. The proforma Board Assurance Framework Document complies with HM Treasury Guidance on Assurance Frameworks.

The major risks identified and monitored through the BAF during the year related to:

- BAF001 Failure to deliver consistent standards of care to patients' across the Trust results in poor patient outcomes and incidents of avoidable harm.
- BAF005 The lack of leadership capability and capacity could lead to insufficient key performance improvement and the Trusts ability to be a high performing organisation.
- BAF006 High levels of sickness absence within the Trust impacts upon the Trust's resourcing plan and ability to deliver safe and high quality care and also impacts upon the Trust's ability to effectively use resources and deliver the financial plan. The current policy framework for the Trust does not adequately support Staff Health and Wellbeing and does not effectively mitigate absence levels.
- BAF007 Failure to improve organisational Culture impacts on staff well-being, retention and the Trusts ability to attract and recruit new staff
- BAF008 Healthy organisation - failure to understand the health and wellbeing of the workforce and implement appropriate initiatives
- BAF009 Failure to promote, develop and support a culture which values equality, diversity and inclusion

- BAF010 Freedom to Speak Up - there is a risk that the systems and processes for raising a concern are insufficient and not robustly embedded within the Trust
- BAF002 Failure to achieve financial plans as agreed by the Board and communicated to NHSI
- BAF011 IM&T systems which do not meet the requirements of the organisation
- BAF003 If the Trust does not agree a suitable alliance approach with the Local Health Economy partners it will be able to deliver a sustainable integrated care model.
- BAF004 Failure to progress the delivery of the Walsall Integrated model for health and social care.

Escalation of risk issues is through the Divisional Governance structure that allows two-way communication from the Board, its main Committees and Trust wide committees/operational groups which report into the Risk Management Group. Each Divisional Quality governance meeting on a monthly basis considers risk, patient safety quality alongside the risk registers for the service areas. Themes or specific issues requiring escalation are taken to the monthly Risk Management Group for consideration and potential inclusion in the Corporate Risk Register.

The Audit Committee is responsible for scrutinising the overall systems of internal control (clinical and non-clinical) and for ensuring the provision of effective independent assurance via internal audit, external audit and local anti-fraud services. The Audit Committee reports to the Board via a Highlight Report after every meeting and annually on its work via the Annual Report of the Audit Committee in support of the Annual Governance Statement, specifically commenting on the fitness for purpose of the BAF, the completeness and extent to which risk management is embedded in the Trust and the integration of governance arrangements. The Audit Committee also assesses its own effectiveness, what it has accomplished and whether it has fulfilled its responsibilities along with that of the Board sub committees.

The Trust Board and its sub committees have taken an active role in the improvement of risk management processes. This has included the alignment of Board Assurance Framework and Corporate Risks to the Board sub committees and agreed schedules of review of the risks at each.

Serious Incidents affect service users and staff. Ensuring these are reported effectively and in a timely manner helps the Trust to learn the most from such incidents so that safety can be improved. The Trust has a robust process for making sure that Serious Incidents are acted upon promptly and that resulting actions are reviewed in detail at Divisional Board meetings with a summary and learning themes reported through to the Quality Patient Experience and Safety Committee.

During 2018/19 the Trust had 143 Serious Incidents, compared with 167 in 2017/18. The main categories being pressure ulcers (57), medical equipment (17) and slip trips and falls (15).

The Trust Board is comprised of a Chair, six non-executive director members and five executive director members: the Chief Executive, Medical Director, Director of Nursing, Director of Finance and Performance and Chief Operating Officer. Two other associate non-executive directors and three other executive director members without voting rights attend each Trust Board meeting: the Director of Governance (Trust Secretary), Director of People & Culture and the Director of Strategy and Improvement. The Chair of the Trust Board has a second and casting vote on any decision making matters.

The Trust Board saw the departure of two non-executive director members during 2018/2019. Anne Baines who was an associate non-executive director, was made a full voting member in 14 December 2018.

The executive team has undergone a period of change during the year with the departure of the Chief Operating Officer, Interim Director of HR, Interim Director of Nursing and Medical Director members of the team. Jenna Davies was appointed as Director of Governance, Karen Dunderdale as Director of Nursing and Deputy CEO, Catherine Griffiths as Director of People & Culture and Matthew Lewis as Medical Director.

The Trust Board is supported by a framework of sub-committees. The Trust governance structure has had a full review during 2018/19 and is shown at Appendix 1 and illustrates the robustness and effectiveness of the risk management and performance processes.

The Board has overall responsibility for the effectiveness of the governance framework and has along with its sub committees undertaken a review of its effectiveness. There are six formally designated sub-committees of the Board all of which are Chaired by a non-executive director:

- Audit Committee, chaired by Sukhbinder Heer, Non-executive Director.
- Quality and Safety Committee, chaired by Anne Baines, Non-executive Director.
- Finance, Performance and Investment Committee, chaired by John Dunn, Non-executive Director.
- People and Organisational Development Committee –chaired by Philip Gayle, Non-executive Director.
- Nominations and Remuneration Committee chaired by Danielle Oum, Chair of Trust
- Charitable Funds Committee, chaired by Alan Yates, Associate Nonexecutive Director.

The Trust Board is responsible for setting the risk appetite of the organisation as described in the Risk Management Strategy. Risk Appetite is defined as 'the amount of risk the organisation is prepared to accept, tolerate, or be exposed to at any point in time.' It allows the board to take considered risks and to seek assurance that risks of any grade in areas of low tolerance are being managed, rather than focussing predominately on high rated risks.

The Trust's approach to quality improvement is clear that quality is the responsibility of all staff from 'ward to board'. The Board is committed to ensuring patients receive the highest level of safe, high quality, compassionate care, through a shift to a culture of continuous quality improvement based upon the sustainable implementation of a Trust wide Improvement Programme. Reporting processes and mechanisms through Trust Board, it's Committees, Executive Team and through to Divisions and their governance processes reflect this approach. Accountability for quality is clear through the leadership and management arrangements within the Trust. The revised governance and assurance structure implemented in 2015 continues and is aligned with the clinically led management model in the Divisions providing ward to board reporting and assurance. Divisions continue to enable better and more rapid decision-making, as close as possible to the point of care delivery, which, in turn, enables more effective clinical engagement and leadership in service development and delivery as well as providing service users with greater access to decision-making.

Executive leadership, accountability and responsibility for quality governance is held by the Director of Nursing and the Medical Director. Quality governance oversight and integration with corporate governance is overseen by the Director of Governance.

The Trust's approach to clinical quality improvement is supported by the Quality Improvement Faculty which has been established to support colleagues on the improvement journey. This encompasses the existing Listening into Action (LiA) Programme and the Service Improvement Team. This provides additional innovative, research, and evidence based support to the services and clinicians. The first phase focuses on Human Factors in Maternity and Gynaecology.

The Trust's strategic priorities and combined support service offer aligns clinical services and support functions to deliver the best care possible to those who use Trust services. Trust Board receives regular reports, directly and through the Quality, Patient Experience & Safety Committee, on all aspects of clinical quality and safety including management of incidents and complaints, equality and diversity, service user experience, control of infection and research and development. The Quality, Patient Experience & Safety Committee provides assurance to Trust Board that issues and risks identified in a number of portfolio areas, such as managing aggression and violence, safeguarding adults and children, infection prevention and control, and information governance, are being addressed. Where Quality, Patient Experience & Safety Committee identifies an area of concern which has been raised at a particular time, we scrutinise that on behalf of the Trust Board by receiving regular reports for a period.

The Trust's Quality Strategy, our "Quality Commitment" was approved at Trust Board in November 2016 and continued through 2018/19. The priorities are monitored individually via the Trust quality governance framework which is delivered through the governance structure and described in more detail below. This framework sets out what our strategic commitment to safe, high quality care means in practice. It incorporates national and local drivers, commissioning priorities and is consistent with STP quality priorities. It is based on three main sections:

Provide effective care – Improve Patient Outcomes

Improve safety – Reduce Harm

Care and compassion – Improve Patient Experience

The Trust's quality governance framework provides the Trust Board with assurance that essential standards of quality and safety are being delivered within the Trust. It provides assurance that the processes for the governance of quality are embedded through the Trust. Performance and Quality reports to Trust Board provide assurance against a range of Key Performance Indicators relating to service quality and, where reports indicate underperformance, action plans are provided to and monitored by Trust Board.

The Board and sub committees receive assurance on compliance with quality and safety through a number of mechanisms including the Performance and Quality Report which is considered at each of the sub committees and Board. It regularly seeks out and reviews staff and patient feedback through the staff survey, pulse survey's, staff forums, leadership meetings, listening into action work streams, complaints and PALS feedback via telephone, email, face to face, Friends & Family Feedback electronic and paper and collected at point of service, National Surveys, Local Surveys, Forums, User Groups and the Membership forum. There is also regular Trust Board to staff engagement undertaken through Board walks. The Trust also uses third party assurances gained through the internal audit function, health watch, volunteers and regulatory inspections to assure itself of compliance.

The Quality, Patient Experience and Safety Committee is the central driving force for quality governance, regularly reporting to the Trust Board that the essential standards of quality and safety are being delivered. This includes monitoring compliance with the Care Quality Commissions Fundamental Standards and other statutory compliance through the Performance and Quality Report prior to submission to the Trust Board. The Quality Committee's other duties include:

- promote quality, safety and excellence in patient care;
- identify, prioritise and manage risk arising from clinical care;
- ensure the effective and efficient use of resources through evidencebased clinical practice;
- promote and support the duty of candour to provide a culture of shared learning and openness; and
- protect the health and safety of Trust employees.

The Performance, Finance and Investment Committee have delegated authority to monitor and scrutinise:

- Putting the interests of patients at the heart of what the organisation does.
- Financial/Annual planning and monitoring.
- Cost transformation programmes.
- Activity and productivity including operational efficiency and effectiveness.
- Delivery of the Five Year Forward View, NHS Constitution Standards and local contractual obligations.
- Workforce cost.
- Information Management & Technology: seeking assurances about the underlying data to ensure that it is robust, reliable and accurate.
- Public Finance Initiative performance.
- Challenging relevant managers when controls are not working or data is unreliable.
- Review, approve and evaluate business case investments and requests for capital expenditure within the powers delegated by the Trust Board.

The People and Organisational Development Committee has delegated authority to:

- Review performance data and quality indicators covering key aspects of the Trust-wide workforce matters, identifying areas for action at a corporate and local level, ensuring follow up takes place:
 - Appraisal
 - Mandatory Training
 - Sickness
 - DBS
 - Staff Survey
 - Flu Vaccination
 - Recruitment & Staffing levels
 - CQUINs
 - Staff friends & family test
 - Bank & Agency
 - Volunteers

The Trust has continued to work to embed the enhanced quality governance measures through the accountability framework maintaining a focus on strong governance and leadership across quality, finance and clinical care ensuring that there is clinically led management decision-making, as close as possible to the point of care delivery.

The Trust is committed to promoting equality and human rights and valuing diversity in all areas of Walsall Healthcare NHS Trust. It does this by ensuring that Equality Impact Assessments are integrated into core business ensuring due regard to the aims of the Equality Act at the point when decisions are made. The purpose of an Equality Impact Assessment (EIA) is to improve the work of the Trust by making sure it does not discriminate and that, where possible, promotes equality. The Equality Impact Assessment (EIA) focuses on systematically assessing and recording the likely equality impact of an activity or policy. There is a focus on assessing the impact on people with protected characteristics. This involves anticipating the consequences of activities on these groups and making sure that, as far as possible, any negative consequences are eliminated or minimised and opportunities for promoting equality are maximised.

The EIA is carried out by completing a form, drawing on existing research, monitoring Information and consultation. Once this has been completed, action plans can be drawn up and any decisions to change the delivery of an activity or policy can be made.

The Equality Diversity and Inclusion Group will be responsible for reviewing EIAs which have identified negative consequences.

The Trust Board development programme sets out the process by which it will assess itself against the NHS Improvement's well led framework as part of the Trust's journey of improvement. The Board has carried out self-assessments against the Well Led Framework and an action plan has been developed and is being implemented. During 2019/20 the Trust will be commissioning an external provider to carry out a review, directed by the findings of the self assessment. The action plan is monitored via TMB, with a quarterly updates being provided to Board.

During 2018/19 the Board have participated in a full Board team development programme and a series of workshops focussed on the well led key lines of enquiry.

We continue to work with our two key partnerships to support future improvement – Walsall Together and the Black Country Provider Partnership. The business case for Walsall Together has been through all the governing bodies and Trust Boards. All organisations have approved the case as the appropriate strategic direction of travel with the Trust as the Host Provider.

Terms of Reference together with a programme plan for the partnership have been drafted to establish an Integrated Care Partnership Board which will be a sub committee of the Trust Board and we will be seeking the appointment of a Non Exec Chair over the next few months.

With regard to the Black Country Provider Partnership we continue to work on services that have been identified within the sustainability reviews as benefitting from a network approach. Whilst some of these are internal programmes of work, there are three notable services that are undergoing wider partnership coordination. This work is being overseen from an STP perspective by the Clinical Leadership Group which is represented by our Trust by Matthew Lewis as the Medical Director

High reporting of incidents is a mark of high reliability organisations and therefore incident reporting is encouraged by the Trust. It is essential that staff receive feedback, there is a focus on learning, frontline staff is engaged, and incident reporting is easy, reporting systems focus on improving safety, not blaming individuals and appropriate actions taken.

In 2018/19, NHS Trusts have been required to make an annual statement of confirmation in relation to compliance with elements of the NHS Provider Licence as follows:

- G6 – Meeting the requirements of the licence and the NHS Constitution, and, having implemented effective arrangements for the management of risk
- FT4 – Relates to corporate governance arrangements covering systems and processes of corporate governance in place and effective; effective Board and Committee arrangements; compliance with healthcare standards; effective financial decision making; sufficient capability and capacity at Trust Board and all levels in the organisation; accountability and reporting lines.

The Trust Board confirmed that it has met the above requirements in May 2018 and is expected to confirm this position again, in June 2019. The NHS Long-Term Plan informs workforce strategy; recognising that all strategic and operational objectives depend on the collective skills, power and strength of our workforce. This principle underpins a workforce planning methodology which places long-term sustainability, achieved through system-wide improvement approach, at the heart of all Trust objectives.

In line with recommendations, outlined within 'Developing Workforce Safeguards', the Trust will address workforce challenges, maximise opportunities and deploy safe staffing by;

- Setting medical and nursing establishments
- Limiting Temporary Staffing Usage
- Taking a Proactive Approach to Brexit Related Risks
- Implement New Roles & Workforce Opportunities

Regular reviews of both the Medical and Nursing establishment provide evidencebased intelligence to inform proactive decision making, both at board and service level. A clinically-led Safeguarding Team ensures that suitably qualified and competent colleagues are providing safe, effective care to patients. Workforce Transformation forums, adhering to both current legislation & best practice, provide professional accountability in regards to new processes or working practice.

During 2018/19 the Trust received an unannounced focus inspection of its maternity services on the 5, 6 and 12 June. The purpose of the inspection was to determine if the maternity services at Walsall Healthcare NHS Trust had made the improvements highlighted following the 2017 inspection and if the requirements of the warning notice had met. Following the inspection the Trust received a "requires improvement" rating.

The CQC also carried out a comprehensive inspection of the Trust's medicine and critical care services at Walsall Healthcare NHS Trust on 4 – 6 February 2019, of urgent and emergency care, surgery and maternity services at Walsall Healthcare NHS Trust on 11 – 13 February 2019 and Community Sexual Health Services at Walsall Healthcare NHS Trust on 25 and 26 February 2019. Finally an inspection of the Trusts Well Led requirements was undertaken on 19-21 March 2019.

In addition, NHS Improvement (NHSI) conducted the Use of Resources inspection on the 8 February 2019.

The final Quality Reports detailing the inspection findings and ratings are unlikely to be published until the summer.

Therefore the current ratings for the Trust are detailed below:

Ratings	
Overall rating for this trust	Requires improvement 
Are services at this trust safe?	Requires improvement 
Are services at this trust effective?	Requires improvement 
Are services at this trust caring?	Good 
Are services at this trust responsive?	Requires improvement 
Are services at this trust well-led?	Requires improvement 

The Trust has not been subject to any enforcement notices during 2018/19 but continues to monitor the three enforcement notices against Regulation 18 HSCA (RA) Regulations 2014 Staffing, Regulation 12 HSCA (RA) Regulations 2014 Safe care and Treatment and Regulation 13 HSCA (RA) Regulations 2014 Safeguarding service users from abuse and improper treatment.

The Trust is fully compliant with the registration requirements of the Care Quality Commission.

In response to the report the Trust has developed a Patient Care Improvement Plan to manage the must and should do actions listed in the report along with the requirement notices issued. The work and progress has been regularly reported to the Quality, Patient Experience and Safety Committee and Board.

The key focus of the PCIP going forward is to make it business as usual as the Trust moves from a 'Requires Improvement' status to one of 'Good'.

The trust has published an up-to-date register of interests for decision-making staff within the past twelve months, as required by the 'Managing Conflicts of Interest in the NHS' guidance.

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 into the Scheme are in accordance with the Scheme's rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

Control measures are in place to ensure that the organisation complies with all relevant equality, diversity and human rights legislation.

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 UKCIP 2009 weather projects, to ensure that this organisation's obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

The trust has undertaken risk assessments and has a sustainable development management plan in place which takes account of UK Climate Projections 2018 (UKCP18). The trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

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

As Accountable Officer I have responsibility to the Trust Board for the economy, efficiency and effectiveness of the use of resources. This is achieved operationally through good governance and systems of internal control designed to ensure that resources are applied efficiently and effectively.

The effective and efficient use of resources is managed by the following key policies:

Standing Orders

The Standing Orders are contained within the Trust's legal and regulatory framework and set out the regulatory processes and proceedings for the Trust Board and its committees and working groups including the Audit Committee, whose role is set out below, thus ensuring the efficient use of resources.

Standing Financial Instructions (SFIs)

The SFIs detail the financial responsibilities, policies and principles adopted by the Trust in relation to financial governance. They are designed to ensure that its financial transactions are carried out in accordance with the law and Government policy in order to achieve probity, accuracy, economy, efficiency and effectiveness.

They do this by laying out very clearly who have responsibility for all the key aspects of policy and decision making in relation to the key financial matters. This ensures that there are clear divisions of duties, very transparent policies in relation to competitive procurement processes, effective and equitable recruitment and payroll systems and processes. The budget planning and allocation process is clear and robust and ensures costs are maintained within budget or highlighted for action. The SFIs are to be used in conjunction with the Trust's Standing Orders and the Scheme of Reservation and Delegation and the individual detailed procedures set by directorates.

Scheme of reservation and Delegation

This sets out those matters that are reserved to the Trust Board and the areas of delegated responsibility to committees and individuals. The document sets out who is responsible and the nature and purpose of that responsibility. It assists in the achievement of the efficient and effective resources by ensuring that decisions are taken at an appropriate level within the organisation by those with the experience and oversight relevant to the decision being made. It ensures that the focus and rigor of the decision making processes are aligned with the strategic priorities of the Trust and it ensures that the Trust puts in place best practice in relation to its decision making.

Anti-Fraud, Bribery and Corruption Policy

The Bribery Act which came into force in April 2011 makes it a criminal offence for commercial organisations to fail to prevent bribes being paid on their behalf. Failure to take appropriate measures to avoid (or at least minimise) the risk of bribery taking place could lead to the imposition of fines, or imprisonment of the individuals involved and those who failed to act to prevent it. This will help ensure that the taking or receiving of bribes is less likely and improve the integrity and transparency of the Trust's transactions and decisions.

The Trust Board places reliance on the Audit Committee to ensure appropriate and sound governance arrangements are in place to deliver the efficient and effective use of resources and the Trust's internal control systems are robust and can be evidenced.

The Audit Committee agrees an annual work programme for the Trust's Internal Auditors and the Counter Fraud Team, and reviews progress on implementation of recommendations following audit and other assurance reports and reviews.

Independent assurance is provided through the Trust's internal audit programme and the work undertaken by NHS Counter Fraud Team (formerly NHS Protect), reports from which are reviewed by the Audit Committee. In addition, further assurance on the use of resources is obtained from external agencies, including the external auditors and the Regulators.

The Trust Board also places reliance on the Performance, Finance and Investment Committee to provide appropriate scrutiny and review in respect of Trust performance relating to a number of areas including efficient and effective use of resources. The Trust identified a risk to CIP delivery in 2018/19 and entered into the Financial Improvement Programme supported by NHS Improvement. This robust programme was delivered through three phases for sustainability and assurance (1-Diagnosis, 2-Plan for Recovery and 3-Implementation). An outcome of the programme included enhanced governance processes to support the financial improvement efforts, CIP maturity was progressing with a requirement to get existing schemes de-risked and new schemes quality impact assessed, a communication and engagement strategy was

developed. The Trust has also entered into a fourth phase of the programme to assure delivery in year and embed the governance recommendations from the work undertaken by the partner organisation.

Information governance

The Trust had a total of 4 reportable incidents during 2018/19 relating to information governance data breaches during this period. This included inappropriate access to staff data via ESR by another member of staff with the same name as the data subject, a subject access request which contained the personal data of a third party which was not fully redacted, patient data being left unattended during an assessment and a member of staff transferring personal identifiable data to their own email address. These were all promptly reported to the Information Commissioner's Office and appropriate remedial and investigative action taken.

Information Governance Toolkit

During 2018/19 all NHS Trusts were required to carry out an information governance self-assessment using the new Data Security & Protection Toolkit. The Data Security & Protection Toolkit was introduced in 2018 and encourages a compliance assessment against the 10 National Data Standards. These standards are:

- Personal confidential data
- Staff responsibilities
- Training
- Managing data access
- Process reviews
- Responding to incidents
- Continuity planning
- Unsupported systems
- IT protection
- Accountable suppliers

In order to achieve 'standards met' Walsall Healthcare NHS Trust must confirm achievement of 100 mandatory assertions, and provide evidence items to support each declaration.

Unfortunately the Trust was unable to demonstrate the required target of 95% of all staff being appropriately trained. Walsall Healthcare NHS Trust's Information Governance Assessment for 2018/19 is therefore 'standards not fully met – (plan agreed)'.

Walsall Healthcare NHS Trusts' toolkit will be shared with the Care Quality Commission (CQC), NHS England and NHS Improvement, and provides important evidence for the key line of enquiry on Information in the CQC well-led inspection.

The Trust continues to monitor its Information Governance mandatory training compliance, and through audit monitors records quality, storage and retention. Our Information Governance improvement plan for 2018/19 is overseen by our Information Governance Steering Group, chaired by our Interim Trust Secretary.

Cyber and Data Security

Cyber and data security continues to be an important focus for the Trust. This because evident in light of the events on 12 May 2017 when the NHS was subject to a well-publicised worldwide cyber-attack. As a result of the co-ordinated emergency response to the threat by the Information Communications Technology (ICT) Department, the Trust defended itself against this particular attack and there was no operational impact to the Trust.

The Trust Information Governance Steering Group receives regular reports on plans and actions to maintain and improve cyber-security defences across the Trust. Some of the proactive work undertaken has included a cyber-security awareness campaign.

Each year the Trust undertakes a cyber-penetration as part of its internal audit plan. This involves being subjected to a simulated cyber-attack probing both our external and internal networks. The results provide areas for improving including specific recommendations which are implemented to strengthen our cyber security. The overall opinion provided by the 2018/19 test is requires improvement.

On the 7 March 2019, the Trust Board participated in a cyber-security workshop session. This covered the latest cyber landscape, best practice guidance to help foster a positive cyber and information security culture encompassing people, policy, process and ICT; Leadership, strategy and best practice information governance; understanding of responsibilities,

liabilities and consequences of breach, including key legislation (such as GDPR); Guidance on risk management and building resilience and capability; Providing a trusted forum to discuss your key issues and priorities and advice on the next steps to improve data security within the Trust.

Annual Quality Report

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare Quality Accounts for each financial year.

The Trust's Quality Account for 2018/19 provides a summary of the Trust's quality achievements and challenges, demonstrating how it meets its statutory and regulatory requirements as well as how it meets the expectations of its service users, carers, stakeholders, its members and the public. **The Report was externally audited. This provided the required x assurance opinion on the content and consistency of the report, that the content was in line with the Annual Reporting Manual (2016/17) issued by NHS Improvement and consistent with documents reviewed. In terms of the performance indicator testing of two mandatory indicators (Friends and Family and CDIF).**

The Draft Quality Account is shared with partner agencies and stakeholders and commissioners for comment. Leadership comes from the Trust Board with clearly devolved responsibility and accountability for individual quality improvement priorities.

The Director of Governance is responsible for the preparation of the Quality Account and for ensuring that the document presents a balanced view of quality within the Trust. The Quality Account is prepared with contributions from all responsible and accountable leads.

The Quality, Patient Experience and Safety Committee is responsible for reviewing the report prior to submission with the Annual Report and Accounts to the Audit Committee and then the Trust Board. The Trust's External Auditor, perform a limited assurance review. They read the report and assess if the information is consistent with the requirements; consider if it is materiality consistent with other information and substantively test the performance indicators.

Progress against the Quality Account priorities for the reporting period, 2018/19, has been reported through the Trust's governance framework via the Annual Business Cycles of the Quality, Patient Experience and Safety Committee and the Trust Board receiving routine reports on:

- Medicines safety
- Sepsis and the deteriorating patient
- Equality and diversity

Priorities for 2018/19 have been developed for the Quality Account. Robust outcome metrics have been set for each priority and action to identify progress and success in achieving this improvement. The metrics we have used are meaningful to both staff and patients. Measurement will be used to demonstrate the impact of change and then continued as on-going performance measures following the implementation of successful change, updates will be reported via Quality, Patient Experience and Safety Committee to Trust Board.

Elective waiting time data

The Trust has been working during 2018/19 to improve the quality and accuracy relating to planned and elective waiting time data. Validation continues to ensure that only patients requiring further treatment or monitoring appointments remain open on the Trust's patient management system. This work has been extremely successful and will continue through 2018/19. Virtual review of diagnostics and follow up waiting lists commenced during 2018/19, in line with National guidance to redesign interactions in outpatients. This will reduce the number of formal outpatient appointments patient will be required to attend and improve access in services with challenging waiting times to deliver in 19/20.

The Trust has not achieved the National standard for RTT (92% incomplete pathways waiting no longer than 18 weeks) during the 2018/19 due to specific capacity pressures in some services. The number of patients waiting longer than 18 weeks reduced by circa 900 during the year, with good progress for services with long waiters and numbers waiting greater than 40 weeks plus reduced. Data quality indicators for the Trust monitoring system for RTT indicates that data quality has been sustained since the return to reporting in October 2016. Reports are regularly reviewed in order to ensure that data quality issues are identified and validated within 48 hours. This work supports identifying training needs for the administrative team and support for Clinicians with application of the National Referral to Treatment (RTT) rules.

The Trust Access Policy outlines standards of practice with regard to capture of outcomes following inpatient discharge and outpatient attendance. KPIs are in place supporting the standards and there are weekly meetings held where compliance is monitored. There is a monthly meeting where NHSE/NHSI are represented, along with Walsall CCG. The RTT performance and data indicators are reported.

Review of effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the information provided in this annual report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Trust Board, the Audit Committee, Quality, Patient Experience & Safety Committee, Finance, Performance and Investment Committee, People and Organisational Development Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

In describing the process that had been applied in maintaining and reviewing the effectiveness of the system of internal control, I have set out below some examples of the work undertaken and the roles of the Trust Board and Committees in this process:

The Trust Board has met in public on eleven occasions and each meeting has been both well attended and quorate. The Committees of the Board operate to formal terms of reference that the Board has approved, and carry out a range of Board work at a level of detail and scrutiny that is not possible within the confines of a Trust Board meeting. Each of the Committees provides assurance to the Board in relation to the activities defined within its terms of reference; this is reported to the next meeting of the Board in the form of a highlight report to ensure that necessary issues are highlighted in a timely way. The Board also receives the formal minutes of the meetings of each of the Committees once approved by the Committee as a true record.

The work that has been undertaken by the Committees includes:

- scrutiny and approval of the annual financial statements and annual report, including the Trust's Quality Account;
- receiving all reports prepared by the Trust's Internal and External Auditors and tracking of the agreed management actions arising;
- monitoring the Clinical Audit Programme, serious incidents and never events and ensuring that risk is effectively and efficiently managed and that lessons are learned and shared;
- monitoring of compliance with external regulatory standards including the Care Quality Commission and the Information Governance toolkit;
- monitoring of the Cost Improvement Programme and the delivery of service development;
- ensuring the adequacy of the Trust's Strategic Financial Planning;
- monitoring the implementation of the key strategies that the Board has approved; and, relevant policy approval/ratification.

The internal audit plan which is risk based, is approved by the Audit Committee at the beginning of each year. Progress reports are then presented to the Audit Committee at each meeting with the facility to highlight any major issues. The Chair of the Audit Committee can, in turn, quickly escalate any areas of concern to the Trust Board via a Highlight Report and produces an annual report on the work of the Committee and a self-evaluation of its effectiveness. The plan also has the flexibility to change during the year.

The Head of Internal Audit's overall opinion on the effectiveness of the organisation's system of internal control is that "Overall, partial assurance with improvement required can be given on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. We identified weaknesses which put system objectives at risk in relation to the Data Security and Protection Toolkit, Mortality Review, Board Assurance Framework, Well-Led Governance and Temporary Staffing audits. We have also considered the work of the predecessor internal auditor - West Midlands Ambulance Service - who identified weaknesses which put the system objectives at risk in relation to the Temporary Staffing – Medics, Risk Management and Consultant Job Planning audits completed during the period 1 April 2018 to 31 March 2019. Improvements are required to improve the effectiveness of controls in all of these areas."

Data Security and Protection Toolkit	<p>Undertake a review of all processes that have been identified as causing a breach or a near miss to confirm it is operating effectively.</p> <p>Ensure there is an effective annual test of the ITDRP</p>
Mortality Review	<p>Update the 'Learning from Deaths' report to Board</p> <p>Collate and report data on how many deaths were judged more likely than not to have been due to problems in care, to ensure their reporting is in line with the NQB guidance.</p> <p>Ensure that the clinicians complete all sections of the mortality review form to make sure that accurate and complete data is held.</p>
Board Assurance Framework	<p>Update strategic objectives which were agreed at a Board Development session.</p> <p>Share BAF with relevant monitoring committees prior to approval by the Board.</p> <p>Establish a BAF process to ensure that risks are regularly updated and linked and aligned to the corporate risk register.</p> <p>Ensure the Risk Management Group take the decisions as to whether to manage risks at the CRR or BAF level.</p>
Well Led Governance	<p>Complete outstanding actions in the well led action plan, reprioritisation of executive leads' workloads to create sufficient management capacity.</p>
Temporary Staffing audits	<p>Awaiting management response</p>

Taking account of national and local context, the strategic direction for the Trust has been reviewed by the Trust Board. Areas key to the delivery of the Trust's business strategy, managed and monitored by the Trust Board and the Committees of the Board includes:

- Safe, High Quality Care – through the development of an integrated improvement programme to ensure sustainable change.
- Care at Home– by delivering services within the scope of Walsall Together; having a clear set of plans for joined up working with voluntary and housing partners; integrated secondary care pathways and social care collaboration.
- Partnerships - with collaborative working through the governance of Walsall Together; and horizontal integration of acute services across the STP. A Black Country approach to workforce promoting a professional passport to allow for a dynamic workforce across the area.
- Value our Colleagues - so they recommend us as a place to work through the development of professional leadership, enhanced engagement, embedding clinical leadership and accountability in the way we operate our services.
- Use Resources well to ensure we are sustainable - through the alignment of the overall Trust-wide improvement programme to ensure financial sustainability and sustainable benefits.

The Trust Board recognises the importance of ensuring that it is fit for purpose to lead the Trust and a programme of Board Development activity has taken place during the year through a programme of Board Development.

The Audit Committee has responsibility for overseeing systems of internal control and effective governance and receives assurances from the Quality, Patient Experience & Safety Committee, Performance, Finance & Investment Committee and People and OD Committee through formal reporting arrangements following each meeting and cross membership by the Chairs of the respective committees. Additionally, assurance is received by regular internal audit reports on delivery of the internal audit programme and monitoring of actions to further strengthen governance arrangements.

The Trust Board are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended in 2011 and 2012) to prepare a Quality Account for each financial year. The Quality, Patient Experience and Safety Committee assume a scrutiny role in the development of this account prior to submission to the Trust Board for approval.

The Performance, Finance and Investment Committee has provided a forum for the Trust Board to seek additional assurance in relation to all aspects of financial and general performance, including performance against nationally set and locally agreed targets, monitoring of the Cost Improvement programme, and monitoring of the Service Transformation Programme.

Significant internal controls issues

Ernst and Young LLP, External Auditors have issued the Trust a qualified Value for Money opinion relating to the CQC inspection rating of requires improvement, Trust outturn position and 2018 staff survey and internal audit opinion.

CQC

The Care Quality Commission (CQC) inspected the Trust in May and June 2017; and issued the Trust with an overall rating of requires improvement. The report highlighted concerns in respect of urgent and emergency services; surgery; critical care; maternity and gynaecology.

A Patient Care Improvement Programme (PCIP) was developed following receipt of the Chief Inspector of Hospitals Inspection report (December 2017). The Regulatory & Must Do actions were reviewed by the 'Teams of Three' from the Core Services, following which the first version of the PCIP was established. Since then this document has been developed to include additional improvement actions identified by the Core Services.

During 2018/19 the Trust continued to ensure that the PCIP delivered against the recommendations from the December 2017 CQC report. Regular reports were received by the Quality Patient Experience and Safety Committee and Trust Board on delivery of the actions.

In parallel, the Trust developed and delivered a comprehensive CQC preparation plan to support the Trust in preparing for an inspection of its core services. The Trust received an unannounced focus inspection of its maternity services on the 5, 6 and 12 June and following the inspection the Trust received an improved rating of "requires improvement".

In addition, the CQC also carried out a comprehensive inspection of the Trust's medicine and critical care services at Walsall Healthcare NHS Trust on 4 – 6 February 2019, of urgent and emergency care, surgery and maternity services at Walsall Healthcare NHS Trust on 11 – 13 February 2019 and Community Sexual Health Services at Walsall Healthcare NHS Trust on 25 and 26 February 2019.

At the time of writing this report the Trust is awaiting the report from the CQC.

Finance

The Trust's outturn position for 2018/19 was a £27.7million deficit (£33.9million with accounting for an impairment of estate at £6.2million) which is a significant deterioration compared to the 2018/19 planned deficit of £15.6million (£10.6m post receipt of Provider Sustainability Funds).

The deterioration in the Trust's financial outturn was due largely to failure to maintain effective controls over temporary staffing and securing productivity improvements targeted within the financial plan.

The Trust has an established governance framework to underpin this work which includes:

- A monthly Performance and Finance Executive meeting chaired by the Director of Finance and attended by executive directors to hold Divisions to account for their performance in relation to finance and performance
- A monthly performance meeting chaired by the Deputy CEO and attended by executive directors to hold Divisions to account for their overall performance including finance, performance, quality, HR and activity. This balanced view of performance facilitates an in depth scrutiny of economy, efficiency and effectiveness at a more granular level
- A Programme Management Office (PMO) oversees the development of the robust Cost Improvement Plan (CIP) and run rate improvement opportunities. To facilitate delivery of the plan, monitored at a bi-weekly chaired by the Director of Finance with the vice-chair and chair of Performance, Finance and Investment Committee in attendance
- A 'Financial Cabinet' made up of the Chair and Chief Executive with Chairs of Sub-Committees, Deputy Chief Executive and Director of Finance, formed to give Board assurance of delivery

Staff Survey

The results of the 2018 National NHS staff survey show continuing poor performance for staff engagement with improvement in 1 out of the 10 themes measured. The Trust's response plan to the CQC inspection included actions to improve workforce and staffing, however these actions have not yet demonstrated a sustained improvement in staff engagement or confidence in the quality of services provided by the Trust.

The initial results of the staff survey were shared with the Trust Board in March 2019. The results of the survey have been collated into ten themes (see below). The results are presented in the context of the best, average and worst results for similar organisations, for Walsall Healthcare NHS Trust the benchmark group is Acute and Community Trusts.

1. The response rate for the Trust was 40% against 41% for the national average for the benchmark group.
2. The benchmark report shows a statistically significant improvement in the staff engagement score between 2017 and 2018.
3. The benchmark report shows improvement on five of the ten themes between 2017 and 2018, although not at a statistically significant level.
4. The benchmark report shows stability on four of the ten themes detailed below between 2017 and 2018. The last theme (morale) was introduced in 2018 and therefore is not benchmarked at this point.

The themes are as follows:

- Equality, diversity & inclusion – improvement
- Health & wellbeing – stable
- Immediate managers – stable
- Morale – new
- Quality of appraisals - improvement
- Quality of care - stable
- Safe environment - Bullying & harassment - stable
- Safe environment - Violence - improvement
- Safety culture – improvement
- Staff engagement – statistically significant improvement

The next steps will be to review the results at Divisional and Corporate level in order to formulate a Trust wide action plan for improvement during 2019-2020 and this will be considered at the People and OD Committee during April with a further and detailed action plan to the Trust Board in May 2019.

Assurance Framework

The Trust has been issued with a Partial Assurance with improvement required opinion by the internal auditors, due to weaknesses in the design, and/or inconsistent application of controls, that have put the achievement of the organisations objectives at risk in a number of areas reviewed. This has been reflected in the Annual Governance Statement for 2018/19.

The BAF is currently being updated to align with the updated strategic objectives which were agreed at a Board Development session. The BAF will then be shared and approved at the relevant monitoring committees prior to approval by the Board.

A BAF process will be established to ensure that risks are regularly updated and linked and aligned to the corporate risk register.

The updated Risk Management Group will take the decisions as to whether to manage risks at the CRR or BAF level.

Conclusion

The Trust has identified CQC, Financial outturn and staff survey as a significant control issue which have been identified above. There are no other significant issues to highlight.



Richard Beeken
Chief Executive

Date: July 2019

SECTION 2: FINANCIAL STATEMENTS

Statement of the chief executive's responsibilities as the accountable officer of the trust

The Chief Executive of NHS Improvement, in exercise of powers conferred on the NHS Trust Development Authority, has designated that the Chief Executive should be the Accountable Officer of the trust. The relevant responsibilities of Accountable Officers are set out in the NHS Trust Accountable Officer Memorandum. 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 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.

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

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

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.



Richard Beeken
Chief Executive

Date: July 2019

Statement of directors' responsibilities in respect of the accounts

The directors are required under the National Health Service Act 2006 to prepare accounts for each financial year. The Secretary of State, with the approval of HM Treasury, directs that these accounts give a true and fair view of the state of affairs of the trust and of the income and expenditure, recognised gains and losses and cash flows for the year. In preparing those accounts, the directors are required to:

- apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury;
- make judgements and estimates which are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction of the Secretary of State. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the accounts. The directors confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS trust's performance, business model and strategy

By order of the Board.

.....Date.....Chief Executive

.....Date.....Finance Director

Certificate on summarisation schedules

Trust Accounts Consolidation (TAC) Summarisation Schedules for [...] NHS Trust

Summarisation schedules numbers TAC01 to TAC34 and accompanying WGA sheets for 2018/19 have been completed and this certificate accompanies them.

Finance Director Certificate

1. I certify that the attached TAC schedules have been compiled and are in accordance with:

- the financial records maintained by the NHS trust
- accounting standards and policies which comply with the Department of Health and Social Care's Group Accounting Manual and
- the template accounting policies for NHS trusts issued by NHS Improvement, or any deviation from these policies has been fully explained in the Confirmation questions in the TAC schedules.

2. I certify that the TAC schedules are internally consistent and that there are no validation errors*.

3. I certify that the information in the TAC schedules is consistent with the financial statements of the NHS Trust
 [**except for [insert text highlighting where the schedules differ from the accounts and explain the differences].

[Signature]

[Name],
 Director of Finance

[Date]

Chief Executive Certificate

1. I acknowledge the attached TAC schedules, which have been prepared and certified by the Finance Director, as the TAC schedules which the Trust is required to submit to NHS Improvement.

2. I have reviewed the schedules and agree the statements made by the Director of Finance above.



Richard Beeken
 Chief Executive

Date: July 2019

* If you are unable to eliminate validation errors after discussions with your auditors and contacting NHS Improvement then amend this accordingly.

** Please insert the 'except for' clause only if applicable.

Statement of the chief executive's responsibilities as the accountable officer of the trust

The Chief Executive of NHS Improvement, in exercise of powers conferred on the NHS Trust Development Authority, has designated that the Chief Executive should be the Accountable Officer of the trust. The relevant responsibilities of Accountable Officers are set out in the NHS Trust Accountable Officer Memorandum. 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 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.

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

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

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.



Richard Beeken
Chief Executive

Date: July 2019

Statement of directors' responsibilities in respect of the accounts

The directors are required under the National Health Service Act 2006 to prepare accounts for each financial year. The Secretary of State, with the approval of HM Treasury, directs that these accounts give a true and fair view of the state of affairs of the trust and of the income and expenditure, recognised gains and losses and cash flows for the year. In preparing those accounts, the directors are required to:

- apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury;
- make judgements and estimates which are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction of the Secretary of State. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The directors confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS trust's performance, business model and strategy.

By order of the Board.



Richard Beeken
Chief Executive

Date: 22 May 2019

2018/19 Financial Position

The Trust has reported a deficit of £27.54m for the financial year (excluding impairments) and consequently the Trust has not achieved a break-even outturn position or the targeted operational deficit of £15.6m (resulting in a £10.5m deficit after receipt of Provider Sustainability Funding of £5m). The deficit figure that is used to evaluate financial performance for the year is adjusted for impairments relating to the new build and renovation.

In order to maintain financial balance in 2018/19 the Trust initially had to identify and achieve savings to meet the required national efficiency savings target, with targeted improved productivity in theatres and outpatients falling below plan. High levels of sickness and demands on Emergency services placed further pressures upon capacity resulting in higher than planned temporary workforce costs. The Trust has had loan support during the year from the Department of Health to settle creditor accounts within reasonable time frames thereby ensuring continuity of services.

How is our financial performance assessed?

The Department of Health measures NHS Trust financial performance against the following four targets.

Definition of Target		Target Set	Actual	Target Met
Income and Expenditure Revised Break Even (Managing Services within the income received by the Trust)	£'000	(10,496)	(27,541)	<input checked="" type="checkbox"/>
External Financing Limit (Managing Services within the "cash limit" agreed with the Department of Health)	£'000	37,103	33,450	✓
Capital Resource Limit (Managing Capital Expenditure within the Capital Resource Limits agreed with the Department of Health)	£'000	13,057	13,057	✓
Capital Cost Absorption Duty (return on assets employed). The Trust was not required to submit a dividend payment.	%	3.5%	0.0%	✓

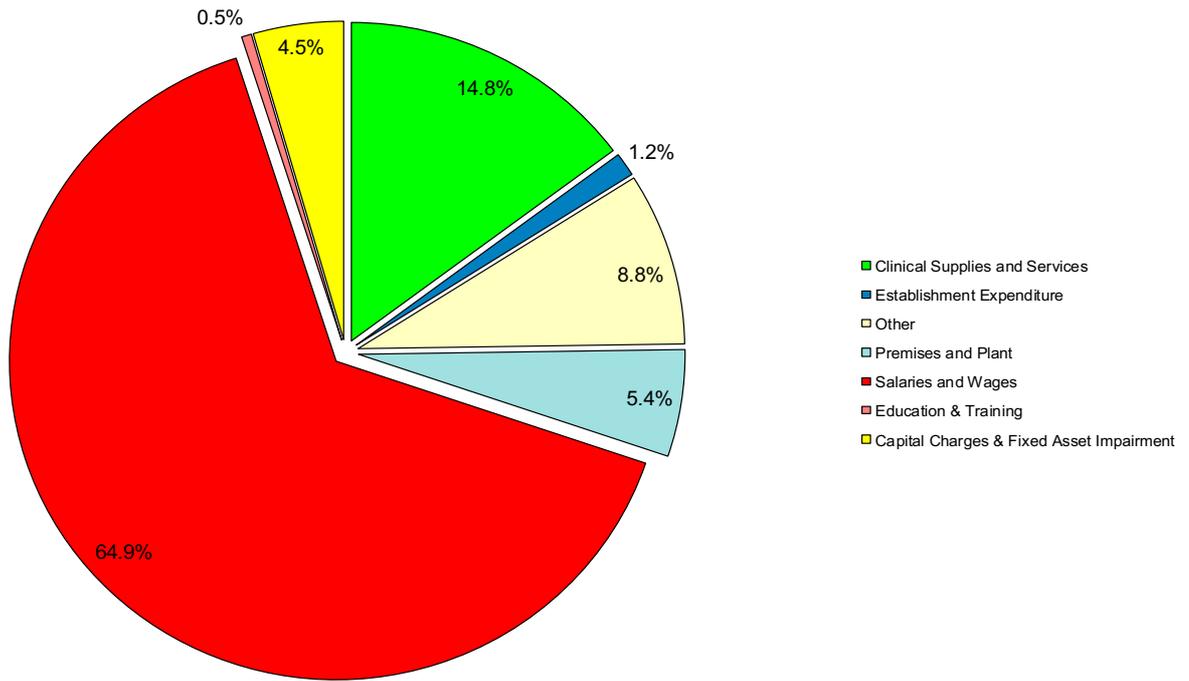
Where our money comes from

The majority of Trust income comes from the provision of patient care services (£234million), the remainder of income comes from such things as Education, Training and Research, Income Generation (car parking, staff catering and accommodation) and the provision of non-patient related services to Walsall Commissioning Care Group.

What we spend our money on

The Trust spent £287million in the financial year 2018/19. The largest component of this expenditure was salaries and wages where we spent £179million. The Trust spent a further £37.3million on clinical supplies and services such as drugs and consumables used in providing healthcare to patients.

The chart below shows a breakdown of the main categories of expenditure for 2018/19.



Capital Investment

The total capital expenditure in 2018/19 totalled £13.0million. The main areas of investment were:

	£'m
Reconfiguration, lifecycle and refurbishment works	11.7
Computer replacement and Information systems	0.5
Medical and theatre equipment	0.8
Total	13.0

Income and expenditure account for the year ended 31 March 2019

	2018/19 £'000	2017/18 £'000
Revenue from patient care activities	234,735	225,136
Other operating revenue	18,299	18,827
Operating expenses	(276,533)	(260,388)
OPERATING SURPLUS	(23,499)	(16,425)
Profit/(Loss) on disposal of asset	(160)	1,329
SURPLUS BEFORE INTEREST	(23,659)	(15,096)
Interest receivable	61	24
Other Gains and (Losses)	-	-
Finance Costs	(10,260)	(9,147)
SURPLUS FOR THE FINANCIAL YEAR	(33,858)	(24,219)
Public Dividend Capital Dividend Payable	-	-
RETAINED SURPLUS/(DEFICIT) FOR THE YEAR	(33,858)	(24,219)
*Impairments (excluding IFRIC 12 impairments)	6,186	1,234
Adjustments in respect of donated asset reserve elimination	131	(282)
Adjustments in respect of 16/17 CQUIN	-	(814)
Adjusted retained surplus/(deficit)	(27,541)	(24,081)

Balance Sheet at 31 March 2019

	31 March 2019 £'000	31 March 2018 £'000
Non-current assets		
Property, plant and equipment	139,153	138,291
Intangible assets	1,277	1,311
Trade and other receivables	778	1,054
	141,208	140,656
CURRENT ASSETS		
Stock and work in progress	2,362	2,277
Trade and other receivables	16,532	17,214
Cash and cash equivalents	4,186	2,277
	23,080	21,768
CURRENT LIABILITIES		
Trade and other payables	(29,461)	(29,292)
Borrowings	(15,590)	(10,782)
Other Liabilities	(1,445)	(1,411)
Provision for liabilities and charges	(117)	(431)
NET CURRENT ASSETS/(LIABILITIES)	(23,533)	(20,148)
TOTAL ASSETS LESS CURRENT LIABILITIES	117,675	120,508
NON-CURRENT LIABILITIES		
Trade and other payables	-	-
Borrowings	(202,939)	(177,817)
PROVISIONS FOR LIABILITIES AND CHARGES	-	-
TOTAL ASSETS EMPLOYED	(85,264)	(57,309)
FINANCED BY:		
Public dividend capital	64,190	58,318
Revaluation reserve	15,925	16,023
Retained earnings	(165,379)	(131,650)
TOTAL CAPITAL AND RESERVES	(85,264)	(57,309)

Cash flow statement for the year ended 31 March 2019

	2018/19	2017/18
	£'000	£'000
OPERATING ACTIVITIES		
Net cash inflow from operating activities	(20,635)	(19,812)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	55	24
Net cash inflow from returns on investments and servicing of finance	(20,580)	(19,788)
CAPITAL EXPENDITURE		
(Payments) to acquire tangible fixed assets	(12,603)	(8,916)
(Payments) to acquire intangible fixed assets	(267)	(811)
Receipts from sale of tangible fixed assets	-	2,019
Net cash (outflow) from capital expenditure	(12,870)	(7,708)
DIVIDENDS PAID		
	-	-
Net cash inflow before management of liquid resources and financing	(33,450)	(27,496)
MANAGEMENT OF LIQUID RESOURCES		
(Purchase) of current asset investments	-	-
Sale of current asset investments	-	-
Net cash inflow from management of liquid resources	-	-
Net cash inflow before financing	(33,450)	(27,496)
FINANCING		
Public dividend capital received	5,872	2,000
Public dividend capital repaid	-	-
Other loans received	33,184	29,557
Other loans repaid	-	-
Capital element of finance leases and PFI	(3,697)	(3,489)
Capital grants and other capital receipts	-	-
Net cash (outflow) from financing	35,359	28,068
Increase (reduction) in cash	1,909	572
Opening cash holding	2,277	1,705
Closing cash holding	4,186	2,277

Better Payment Practice Code

The Trust is a member of the 'Better Payment Practice Code' in dealing with our suppliers. The code sets out the following principles:

- agree payment terms at the outset of a deal and stick to them
- pay bills in accordance with any contract agreed with the supplier or as agreed by law i.e. the code requires the Trust to pay
- all valid invoices by the due date or within 30 days of receipt
- tell suppliers without delay when an invoice is contested and settle disputes quickly

During 2018/19 the percentage of bills paid within target was:

- number of bills: 4%
- value of bills: 15%

	2018/19 Number	2017/18 Number
Better payment practice code-measure of compliance		
Total Non-NHS trade invoices paid in the year	64,650	57,119
Total Non-NHS trade invoices paid within the target	15,346	11,024
Percentage of Non-NHS trade invoices paid within the target	23.7%	19.3%
Total NHS trade invoices paid in the year	1,759	1,394
Total NHS trade invoices paid within the target	68	179
Percentage of NHS trade invoices paid within the target	3.9%	12.8%

	2018/19 Value £000's	2017/18 Value £000's
Better payment practice code-measure of compliance		
Total Non-NHS trade invoices paid in the year	110,086	93,330
Total Non-NHS trade invoices paid within the target	53,859	40,749
Percentage of Non-NHS trade invoices paid within the target	48.9%	43.7%
Total NHS trade invoices paid in the year	12,566	14,815
Total NHS trade invoices paid within the target	1,939	3,228
Percentage of NHS trade invoices paid within the target	15.4%	21.8%

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF WALSALL HEALTHCARE NHS TRUST

Opinion

We have audited the financial statements of Walsall Healthcare NHS Trust for the year ended 31 March 2019 under the Local Audit and Accountability Act 2014. The financial statements comprise the Trust's Statement of Comprehensive Income, the Trust Statement of Financial Position, the Trust Statement of Changes in Taxpayers' Equity, the Trust Statement of Cash Flows and the related notes 1 to 54. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2018/19 HM Treasury's Financial Reporting Manual (the 2018/19 FReM) as contained in the Department of Health and Social Care Group Accounting Manual 2018/19 and the Accounts Direction issued by the Secretary of State with the approval of HM Treasury as relevant to the National Health Service in England (the Accounts Direction).

In our opinion the financial statements:

- give a true and fair view of the financial position of Walsall Healthcare NHS Trust as at 31 March 2019 and of its expenditure and income for the year then ended; and
- have been prepared properly in accordance with the National Health Service Act 2006 and the Accounts Directions issued thereunder.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Comptroller and Auditor General's (C&AG) AGN01 and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1 in the financial statements, which indicates that the Trust has reported a deficit position for the past four years. The Board are committed to addressing the current deficit position and the Trust is budgeting to deliver a break-even plan in 2019-20. The Trust will have access to Financial Recovery Funding (£11.5m) and to Provider Sustainability Funding (£5.5m) in the financial year however the 2019/20 plan also relies on the Trust achieving a cost improvement programme of £8.5m. As stated in note 1, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Trust's ability to continue as a going concern.

Our opinion is not modified in respect of this matter

Other information

The other information comprises the information included in the annual report 67 other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are

required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Health Services Act 2006

In our opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with the Health Services Act 2006 and the Accounts Directions issued thereunder.

Matters on which we are required to report by exception

We are required to report to you if¹:

- in our opinion the governance statement does not comply with the NHS Improvement's guidance; or
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014; or
- we make a written recommendation to the Trust under section 24 of the Local Audit and Accountability Act 2014; or

We have nothing to report in these respects.

In respect of the following we have matters to report by exception:

Referral to the Secretary of State

We refer a matter to the Secretary of State under section 30 of the Local Audit and Accountability Act 2014 because we have reason to believe that the Trust, or an officer of the Trust, is about to make, or has made, a decision which involves or would involve the body incurring unlawful expenditure, or is about to take, or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency.

The Trust anticipated an in-year deficit for the 2018-19 financial year and we referred this matter to the Secretary of State on 22 May 2017 under section 30(1)a of the Local Audit and Accountability Act 2014. The Trust have delivered a deficit in 2018-19 of £33.9million after impairments of £6.1m.

Proper arrangements to secure economy, efficiency and effectiveness

We report to you, if we are not satisfied that the Trust has put in place proper arrangements to secure economy efficiency and effectiveness in its use of resources.

Basis for qualified conclusion

The Care Quality Commission (CQC) inspected the Trust in May and June 2017; and issued the Trust with an overall rating of requires improvement. The report highlighted concerns in respect of urgent and emergency services; surgery; critical care; maternity and gynaecology.

¹ Where the auditor has issues to report under any of the issues listed, they should be deleted from this section and a suitable exception report, briefly explaining the action taken, inserted in the following section.

This issue is evidence of weaknesses in making informed decisions making; proper arrangements for planning finances effectively to support the sustainable delivery of strategic priorities and working with third parties and other partners.

The Trust's outturn position for 2018/19 was a £33.9million deficit, which is a significant deterioration compared to the 2018/19 planned deficit of £15.6million.

The deterioration in the Trust's financial outturn was due to failure to maintain effective controls over temporary staffing.

This issue is evidence of weaknesses in proper arrangements for planning finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions.

The results of the 2018 National NHS staff survey show continuing poor performance for staff engagement with improvement in 1 out of 10 themes. The Trust's response plan to the CQC inspection included actions to improve workforce and staffing, however these actions have not yet demonstrated a sustained improvement in staff engagement or confidence in the quality of services provided by the Trust.

This issue is evidence of weaknesses in planning, organising and developing the workforce effectively to deliver strategic priorities.

The Trust has been issued with a Partial Assurance with improvement required opinion by the internal auditors, due to weaknesses in the design, and/or inconsistent application of controls, that have put the achievement of the organisations objectives at risk in a number of areas reviewed. This has been reflected in the Annual Governance Statement for 2018/19.

This issue is evidence of weaknesses in managing risks effectively and maintaining a sound system of internal control.

Qualified conclusion (Adverse)

On the basis of our work, having regard to the guidance issued by the *Comptroller and Auditor General* in November 2017, we are not satisfied that, in all significant respects, Walsall Healthcare NHS Trust put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2019.

Responsibilities of the Directors and Accountable Officer

As explained more fully in the Statement of Directors' Responsibilities in respect of the Accounts, set out on page 39, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. In preparing the financial statements, the Accountable Officer is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accountable Officer either intends to cease operations, or have no realistic alternative but to do so.

As explained in the statement of the Chief Executive's responsibilities, as the Accountable Officer of the Trust, the Accountable Officer is responsible for the arrangements to secure economy, efficiency and effectiveness in the use of the Trust's resources.

Auditor's responsibility for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually

or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in November 2017, as to whether the Trust had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criterion as that 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 2019.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the Trust had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

We are required under section 21(3)(c), as amended by schedule 13 paragraph 10(a), of the Local Audit and Accountability Act 2014 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. Section 21(5)(b) of the Local Audit and Accountability Act 2014 requires that our report must not contain our opinion if we are satisfied that proper arrangements are in place.

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.

Certificate

We certify that we have completed the audit of the accounts of Walsall Healthcare NHS Trust in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Use of our report

This report is made solely to the Board of Directors of Walsall Healthcare NHS Trust, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and for no other purpose. Our audit work has been undertaken so that we might state to the Directors of the Trust 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 Directors, for our audit work, for this report, or for the opinions we have formed.



Stephen Clark (Key Audit Partner)
Ernst and Young LLP (Local Auditor)
Birmingham
24th May 2019

The maintenance and integrity of the Walsall Healthcare NHS Trust web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Annual Report 2018/19

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